

## Management Philosophy (Established August 8, 2015)

The Furukawa Company Group will remain indispensable to society by always embracing the spirit of challenge, advancing the technologies that have underpinned the foundation of society that originated in mining development.

## Action Guidelines (Established August 8, 2015)

In order to live up to our Management Philosophy, we put our Action Guidelines of Innovation, Creativity, and Harmony into practice, always bearing in mind the three key words that best represent the spirit of our founder: Luck, Stolidity, and Perseverance.

- Innovation** We will work constantly at self-innovation by embracing a future-oriented mindset.
- Creativity** We will seek to create reliable, appealing products that meet market needs.
- Harmony** We will improve management transparency and contribute to the development of a society that is in harmony with the environment.

## Vision for 2025

# FURUKAWA Power & Passion 150

“Become a corporate group that leverages its reputation for category leadership and uniqueness to deliver growth.”

- Targeting consolidated annual operating income regularly in excess of ¥15 billion as we approach our 150th anniversary in fiscal 2025. -



## ○ Policies for Achieving Vision for 2025

- 1 Increase the value of the Furukawa brand through “marketing-based management” that incorporates CSV\* perspectives**  
We will incorporate marketing into the core of management to provide products and services recognized as valuable in changing markets, as well as to resolve issues and problems faced by customers, with the aims of increasing corporate value and achieving sustained growth. We will also strive to achieve the Sustainable Development Goals (SDGs) and otherwise resolve various social issues, including such domestic issues as building national resilience and the declining working-age population, and thus help realize a sustainable society.
  - ① Reinforce technological sales capabilities (proposals and solutions) reflecting customer needs
  - ② Develop products, technologies and services that meet market needs
  - ③ Achieve category-leading positions by concentrating on niche products that have competitive advantages and using differentiation strategy
  - ④ Cultivate and create new markets and product categories, and build a new business model
  - ⑤ Enhance our products, technologies, and services, which underpin our social infrastructure, to help resolve social issues
- 2 Sustainably expand the Machinery Business**
  - ① Reinforce revenue bases in growing overseas markets, mainly in business related to infrastructure and resource development
  - ② Strengthen and enhance stock business
  - ③ Maximize business opportunities by demonstrating comprehensive Group competences and reinforcing engineering strengths
- 3 Strengthen and expand our human resource bases**
  - ① Build vibrant human resources and corporate culture for a new Furukawa
  - ② Secure, utilize, and develop diverse human resources in Japan and overseas
  - ③ Put even more effort into training sales and marketing personnel
- 4 Actively promote investments to increase corporate value**
  - ① Make proactive capital investments necessary for growth
  - ② Expand business through strategic M&A and alliances
- 5 Establish a robust corporate foundation**
  - ① Increase corporate value by improving profitability and capital efficiency, targeting ROE of more than 10%
  - ② Establish a strong financial base
  - ③ Achieve balanced appropriations between investments for growth and return to shareholders
  - ④ Increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group

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

# FURUKAWA COMPANY GROUP

## CSR Report 2021

### Editorial Policy

In order to remain indispensable to society, the Furukawa Company Group makes efforts to contribute to resolving social issues and achieving SDGs. We created this report to communicate the Group’s approach to CSR and our social initiatives, environmental initiatives, and other activities to promote CSR to our stakeholders in a straightforward manner.

### Report Period

This report mainly covers results from fiscal 2021 (April 1, 2020 to March 31, 2021), but also initiatives from the past as well as some from fiscal 2022.

Note that the organization and titles are current as of July 31, 2021.

### Report Scope

**Environmental Data**  
Manufacturing Division of Furukawa Industrial Machinery Systems Co. Ltd.; Takasaki Yoshii Works of Furukawa Rock Drill Co., Ltd.; Sakura Works of Furukawa Unic Corporation; Iwaki Works, Semiconductor Material Production Section (Semiconductor Material Plant), and Optical Parts Works Production Section (Optical Parts Plant) of Furukawa Denshi Co., Ltd.; Osaka Works of Furukawa Chemicals Co., Ltd.; Ashio Office of Furukawa Co., Ltd.; Furukawa Castec Co., Ltd.; Ashio Rock Drill Co., Ltd.; and FRD Iwaki Co., Ltd.

**Environmental Accounting**  
Environmental data report scope, Advanced Technology Department and Material Research & Development Department of Furukawa Co., Ltd.

**Other**  
Furukawa Co., Ltd. and consolidated subsidiaries

### Guidelines Referenced

- “Sustainability Reporting Standards” by the Global Reporting Initiative (GRI)
- “Environmental Reporting Guidelines, 2018 Version” by the Ministry of the Environment
- “Environmental Accounting Guidelines, 2005 Version” by the Ministry of the Environment
- “JIS Z 26000: 2012 Guidance on Social Responsibility (ISO26000: 2010)” by the Japanese Standards Association

### Company Names

**Furukawa Co., Ltd.:**  
The operating holding company of the divided core operating companies

**Furukawa Company Group:**  
32 consolidated subsidiaries and 5 equity method affiliates

**Core operating companies:**  
Furukawa Industrial Machinery Systems Co., Ltd., Furukawa Rock Drill Co., Ltd., Furukawa Unic Corporation, Furukawa Metals & Resources Co., Ltd., Furukawa Denshi Co., Ltd., Furukawa Chemicals Co., Ltd.

### Report Publication Date

November 2021 (Previous: November 2020, Next: Scheduled for November 2022)

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