

September 28, 2023

To whom it may concern:

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Notice Concerning Setting Targets for Materiality (Key Issues) on Sustainability Initiatives

At a meeting of the Board of Directors held on November 11, 2022, the Furukawa Company Group (the “Group”) resolved to identify Materiality (Key Issues) on sustainability initiatives, and on the same day released the “Notice Concerning Identification of Materiality (Key Issues) on Sustainability Initiatives.” We hereby announce that we have set the targets with respect to Materiality (Key Issues) as follows. By working diligently to achieve these targets, we aim to achieve targets set forth in Medium Term Business Plan 2025, realize sustainable growth, and enhance corporate value over the medium to long terms.

Proactive: CSV issues Materiality (Key Issues) on resolving “social issues” through business	
Materiality	Targets
Provide environmentally friendly products, technologies, and services	Provide products that realize customers reduce CO ₂ emissions, save energy, and increase efficiency
Contribute to the resolution of customer issues	Provide automated machinery products through the use of ICT/AI
Contribute to the creation of a safe and comfortable society, including infrastructure development	Provide products and participate in projects to develop infrastructure and address aging infrastructure

Defensive: CSR/ESG issues		
Materiality (Key Issues) on establishing a robust corporate foundation for growth		
Materiality	Targets	
E (Environment)	Promote climate change countermeasures in business activities	Reduce CO ₂ emissions (Scope 1 and Scope 2) - Prepare and publish roadmap for achieving carbon neutrality by FY2025
		Reduce water resource usage (FY2028 target vs FY2028 BAU* level: -2%) * BAU (business as usual): No action taken
		Reduce total emissions including waste, etc. (FY2028 target vs FY2028 BAU level: -3%)
	Promote biodiversity preservation activities	Promote continuous mountain and forest management
		Promote activities such as ecosystem restoration on Company-owned property and former mine sites
		Reduce the amount of harmful chemical substances (percent reduction in the amount of harmful chemical substances)
S (Society)	Develop a safe and rewarding work environment that takes health into consideration	Achieve zero accidents and disasters (Industrial accident frequency; Industrial accident severity)
		Investigate long working hours by department and by employee to determine causes and implement countermeasures
		Promote improved employee health (Acquire White 500 certification as a Health & Productivity Management Organization (each fiscal year) Anomaly observation rate (FY2031: less than 30% for under age 40; less than 50% for age 40 and over)
	Recruit and develop diverse human resources	Develop human resources - Expand annual training hours and number of trainees per year (1,500 hours; 3,600 trainees)
		Increase ratio of female employees - Ratio of female managers (consolidated): 3% - Ratio of women among new graduates hired for general positions (Company-registered employees hired in Japan): 20%
		Increase number of experienced recruits - Ratio of new hires in management/general positions who are experienced: 40%
		Increase employment of persons with disabilities (achieve statutory employment rate)
		Take proactive approach to hiring foreign nationals
	Promote management that respects human rights	Establish human rights policy and promote education
		Increase implementation and follow-up rates of human rights risk assessments of suppliers
G (Governance)	Develop an enterprise risk management system	Periodically reaffirm business continuity plans (BCP) and promote business continuity management (BCM)
		Conduct risk assessments and improve response measures - Periodically review high-risk items
		Reinforce cyber security system
	Ensure compliance	Improve systems to prevent compliance violations

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