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To whom it may concern:

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### Notice Concerning Identification of Materiality (Key Issues) on Sustainability Initiatives

The Furukawa Company Group (the “Group”) hereby announces that in order to further endeavor to make its Management Philosophy a reality and solve social issues, it has reviewed the CSR priority issues identified in 2013, and at a meeting of the Board of Directors held on the date of this release, it resolved to identify 10 items of Materiality (Key Issues) based on the “Basic Policy on Sustainability Initiatives” established in December 2021, as follows.

Furthermore, the Group is considering measures related to initiatives targeting Materiality (Key Issues), etc., and will promptly provide notice once such matters have been determined.

By steadily implementing the PDCA cycle in relation to any measures determined, etc., the Group aims to intensively “increase the value of the Furukawa brand through ‘marketing-based management’ that incorporates CSV\* perspectives” and “increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group,” as is clearly stated in “Vision for 2025,” and thereby aims to achieve sustainable growth for society and the Group and increase corporate value over the medium to long term.

Please refer to the Attachment for other details.










\* 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.

Materiality (Key Issues) on sustainability initiatives	
Proactive: CSV issues	
Materiality (Key Issues) on resolving “social issues” through business	
- Providing environmentally friendly products, technologies, and services - Contributing to the resolution of customer issues - Contributing to the creation of a safe and comfortable society, including infrastructure development	
Defensive: CSR/ESG issues	
Materiality (Key Issues) on establishing a robust corporate foundation for growth	
E (Environment)	- Promotion of climate change countermeasures in business activities - Promotion of biodiversity preservation activities
S (Society)	- Development of a safe and rewarding work environment that takes health into consideration - Recruitment and development of diverse human resources - Promotion of management that respects human rights
G (Governance)	- Development of an enterprise risk management system - Thorough compliance

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## 1. The Furukawa Company Group Materiality (Key Issues) on Sustainability Initiatives

Proactive: CSV issues Materiality (Key Issues) on resolving “social issues” through business		Main related SDGs
- Providing environmentally friendly products, technologies, and services - Contributing to the resolution of customer issues - Contributing to the creation of a safe and comfortable society, including infrastructure development		 
Defensive: CSR/ESG issues Materiality (Key Issues) on establishing a robust corporate foundation for growth		Main related SDGs
<b>E (Environment)</b>	- Promotion of climate change countermeasures in business activities - Promotion of biodiversity preservation activities	 
<b>S (Society)</b>	- Development of a safe and rewarding work environment that takes health into consideration - Recruitment and development of diverse human resources - Promotion of management that respects human rights	  
<b>G (Governance)</b>	- Development of an enterprise risk management system - Thorough compliance	 

**Proactive: CSV issues****Materiality (Key Issues) on resolving “social issues” through business**

- Providing environmentally friendly products, technologies, and services

In order to provide products, technologies, and services that are environmentally friendly, such as those that counter climate change, the Group will focus on pursuing innovation and promoting research and development.



- Contributing to the resolution of customer issues

In order to resolve its customers’ issues amid rapidly changing market conditions, the Group will endeavor to provide various products, technologies, and services through technological innovation.



- Contributing to the creation of a safe and comfortable society, including infrastructure development

In order to solve social issues, such as aging social infrastructure in Japan and infrastructure development overseas, and ensure that people can live safely and comfortably, the Group will focus on areas such as measures to counter aging social infrastructure and the development of infrastructure to prevent and mitigate disasters.



**Defensive: CSR/ESG issues****Materiality (Key Issues) on establishing a robust corporate foundation for growth**

- Promotion of climate change countermeasures in business activities

As the impact of climate change has become more severe and there is a great desire to achieve a “decarbonized society,” the Japanese government is aiming to “achieve carbon neutrality by 2050 and cut greenhouse gases by 46% by fiscal 2031 compared with fiscal 2014.”

The Company has also set targets aligned with these goals, and will focus on reducing CO<sub>2</sub> emissions.



- Promotion of biodiversity preservation activities

In order to protect the biodiversity of the Earth, we will deepen our understanding of biodiversity, and actively engage in activities to preserve biodiversity, such as the use of sustainable resources, continuous greening activities, and the conservation of living organisms.



- Development of a safe and rewarding work environment that takes health into consideration

In order for the Group to engage in business in a sustainable manner, we must create a work environment where each and every officer and employee is respected and can leverage their capabilities and work with a sense of vitality. In order to do so, the Group will endeavor to ensure safety, promote health and productivity management, and develop a rewarding work environment.



- Recruitment and development of diverse human resources

In order to create innovation and provide new value to society, it is essential that human resources who have a variety of characteristics in terms of gender, race, age, values, etc. and have diverse ways of thinking actively participate. The Group will focus on recruiting a diverse range of human resources, and on providing opportunities for development and active participation to enable such human resources to freely utilize their characteristics and ways of thinking.



- Promotion of management that respects human rights

The Group will promote management that respects the rights of people throughout the entire value chain affected by the Group’s businesses, not just the officers and employees of the Group.



- Development of an enterprise risk management system

Each Group company and division of the Company will work to identify enterprise risk, and the Group will create systems for managing risks and opportunities centered on the Risk Management Committee. In addition, the Group will endeavor to enhance its ability to respond when crises occur.



- Thorough compliance

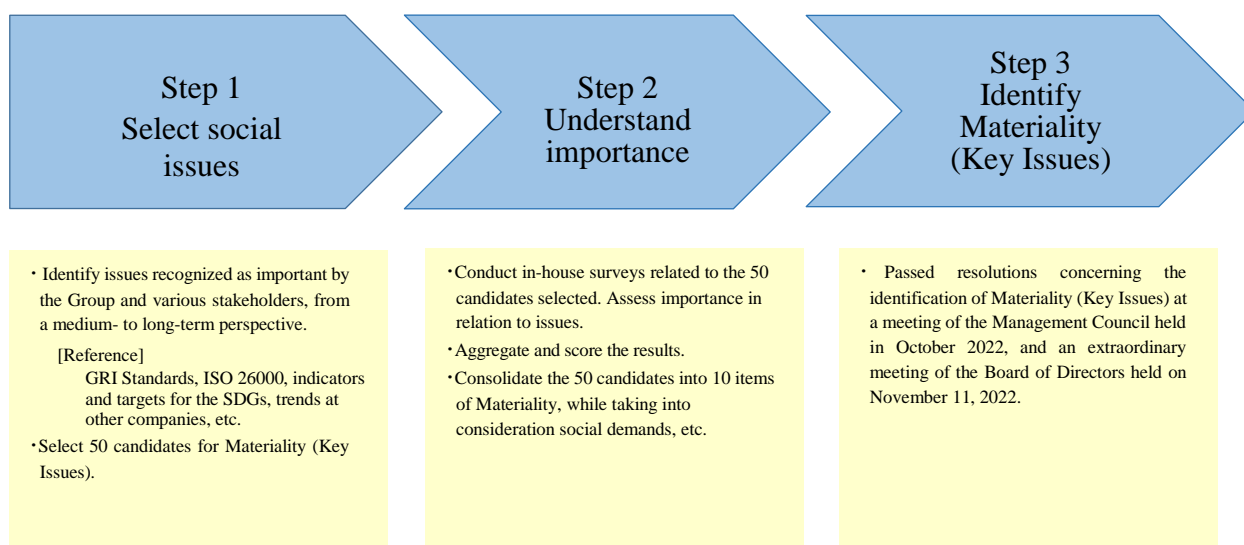
Companies must be socially fair and maintain a sound position in order to provide value to society and continue to exist for a long time. The Group will respond flexibly to the changing social environment and focus on thorough compliance, including compliance with laws and regulations, and honest, fair, and just business activities.



## 2. Background to the Identification of Materiality (Key Issues)

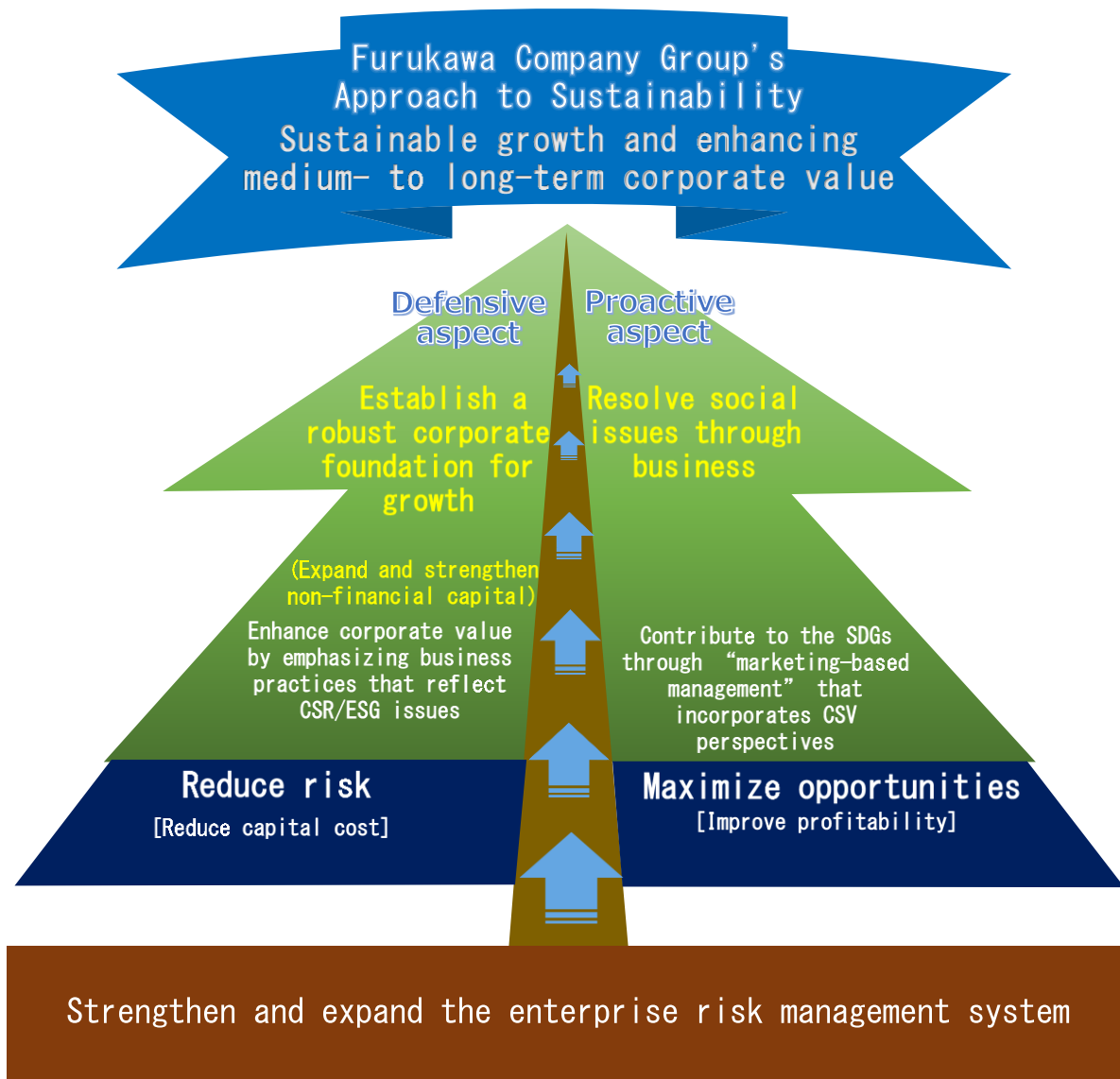
In 2013, when the Group launched a framework for promoting CSR, the Group identified CSR priority issues, established related targets, and worked to achieve those targets. In recent years, however, measures to counter climate change and initiatives tackling the SDGs have come to be viewed as increasingly important, and in order for the Group to review its existing understanding of the issues, and further endeavor to make its Management Philosophy a reality and solve social issues, it determined a “Basic Policy on Sustainability Initiatives” on December 1, 2021, and reorganized from a CSR promotion framework to a sustainability promotion framework. Now, the Group has reviewed the existing CSR priority issues, and identified the Materiality (Key Issues) on sustainability that it should focus on as a matter of priority.

## 3. Process for Identifying Materiality (Key Issues)



4. Image of the Furukawa Company Group’s Sustainability Initiatives

An image of the Group’s sustainability initiatives that reflects the newly identified materiality is as follows.



The Furukawa Company Group Materiality (Key Issues) on Sustainability Initiatives			
Defensive (CSR/ESG issues): Materiality (Key Issues) on establishing a robust corporate foundation for growth			Proactive (CSV issues): Materiality (Key Issues) on resolving “social issues” through business
E (Environment)	S (Society)	G (Governance)	
- Promotion of climate change countermeasures in business activities  - Promotion of biodiversity preservation activities	- Development of a safe and rewarding work environment that takes health into consideration  - Recruitment and development of diverse human resources  - Promotion of management that respects human rights	- Development of an enterprise risk management system  - Thorough compliance	- Providing environmentally friendly products, technologies, and services - Contributing to the resolution of customer issues - Contributing to the creation of a safe and comfortable society, including infrastructure development

### 5. The Furukawa Company Group's Value Creation Process

The Group's value creation process, reflecting the newly identified materiality, is as follows.

