



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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To whom it may concern:

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### Notice Concerning the Furukawa Company Group CO<sub>2</sub> Emission Reduction Targets

Furukawa Co., Ltd. (the Company) hereby announces that it has set the “Furukawa Company Group CO<sub>2</sub> Emission Reduction Targets” as follows.

By formulating CO<sub>2</sub> emission reduction targets and a roadmap, we will further promote “CO<sub>2</sub> emission reduction (Scope 1 and 2),” an item of Materiality (Key Issues) related to our sustainability initiatives.

#### Furukawa Company Group CO<sub>2</sub> Emission Reduction Targets

- Reduce CO<sub>2</sub> emissions (Scope 1 and 2) by 25% (vs FY2023) by FY2030
- Achieve carbon neutrality by FY2050

#### 1. Reduce CO<sub>2</sub> emissions (Scope 1 and 2) by 25% (vs FY2023) by FY2030

For Scope 1, we aim to achieve a 8% reduction (vs FY2023) by FY2030 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 achieve a 31% reduction (vs FY2023) by FY2030 by introducing solar power and other renewable energy power generation equipment, upgrading to energy-efficient production facilities, and purchasing renewable energy. By taking these measures, we aim to achieve a 25% reduction (vs FY2023) in overall emissions (Scope 1 and 2) by FY2030 (see Figure 1). 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.

Compared with the peak of 27,000 tons in FY2014, the Group achieved a reduction of approximately 10,000 tons (37.0%<sup>\*1</sup>) by FY2023 (see Figure 2). In FY2023, however, we expanded the scope of calculation of CO<sub>2</sub> emissions, from major domestic production operations to a consolidated basis, including overseas operations. Accordingly, we are using FY2023 as the benchmark year for setting the aforementioned reduction targets.

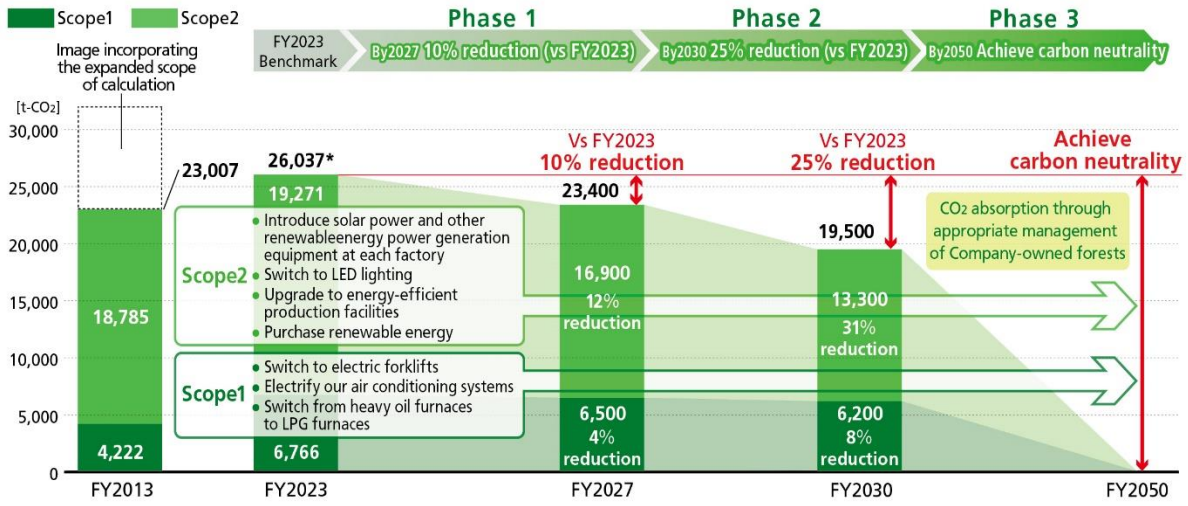
In April 2021, the Japanese government set a greenhouse gas emission reduction target of 46% (vs FY2013) by FY2030 (a 38% reduction target for the industrial sector<sup>\*2</sup>). In comparison, the Furukawa Company Group is targeting a 39.1% reduction by FY2030 based on its estimated emissions for FY2013<sup>\*3</sup>.

\*1 Comparison between 27,000 tons (FY2014) and 17,000 tons (FY2023, before expanding the scope of calculation).

\*2 Based on the government’s “Plan for Global Warming Countermeasures” announced in October 2021.

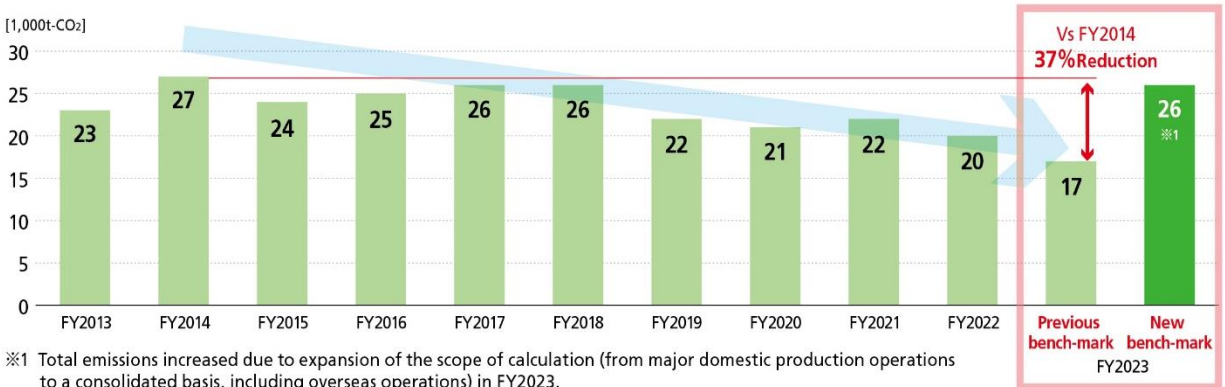
\*3 Calculated by adding the expanded scope of calculation for FY2023 to the actual figures for FY2013.

**Figure 1 Roadmap to carbon neutrality**



\* Total emissions increased due to expansion of the scope of calculation (from major domestic production operations to a consolidated basis, including overseas operations in FY2023).

**Figure 2 CO<sub>2</sub> Emissions (FY2013 to FY2023)**



※1 Total emissions increased due to expansion of the scope of calculation (from major domestic production operations to a consolidated basis, including overseas operations) in FY2023.

**2. Achieve carbon neutrality by FY2050**

We will continue introducing solar power and other renewable energy power generation equipment, upgrading to energy-efficient production facilities, and purchasing renewable energy. In addition, we will aim to achieve carbon neutrality by FY2050 through appropriate management of Company-owned forests to absorb CO<sub>2</sub>.

### **3. Efforts to achieve the targets**

#### **(1) Develop strategy based on TCFD scenario analyses**

We have already conducted Task Force on Climate-related Financial Disclosures (TCFD)-based scenario analyses in the Rock Drill Machinery and Metals segments. Going forward, we will expand the number of segments subject to such analyses as we develop a strategy to reduce overall CO<sub>2</sub> emissions.

#### **(2) Use ICP**

By applying internal carbon pricing (ICP), we are able to evaluate the effect of CO<sub>2</sub> emission reductions as investment profitability and promote environmental investments accordingly. We introduced ICP in FY2022.

### **4. Scope 3 emissions**

The Group began disclosing its Scope 3 emissions (Category 4<sup>\*4</sup>, Category 5<sup>\*5</sup>, Category 6<sup>\*6</sup>, and Category 11<sup>\*7</sup>) in FY2023 ([https://www.furukawakk.co.jp/en/sustainability/library/csr\\_report.html](https://www.furukawakk.co.jp/en/sustainability/library/csr_report.html)). Going forward, we will further expand the number of categories for such disclosure and consider reduction targets for Category 11.

\*4 Category 4: Emissions from upstream transportation and distribution.

\*5 Category 5: Emissions from waste from generated in operations.

\*6 Category 6: Emissions from business travel.

\*7 Category 11: Emissions from the use of sold products. (In the Furukawa Company Group, this category covers products sold by the Rock Drill Machinery and UNIC Machinery segments.)