

May 8, 2020

Furukawa Co., Ltd.
(Securities Code: 5715; TSE First Section)

Notice Regarding Partial Revision of Vision for 2025 “FURUKAWA Power & Passion 150”

As it enters Phase 2 of Vision for 2025, the Furukawa Company Group has reaffirmed its Purpose and Mission, which are incorporated in its Management Philosophy: “The Furukawa Company Group will remain indispensable to society.” In addition, we redefined “marketing-based management” to incorporate CSV perspectives. At the same time, we clarified our intention to “Increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group” as part of our strategy to “Establish a robust corporate foundation.”

We will generate corporate value by providing infrastructure, products, technologies, and services that help solve social issues. At the same time, we will continue striving to create social value, including by building social infrastructure and realizing a safe, environmentally friendly, and prosperous society.

May 8, 2020 revisions (underlined)

1. 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. -

2. Policy for achieving the vision

(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; build a new business model
5. Enhance our products, technologies, and services, which underpin our social infrastructure, to help resolve social issues

* 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.

(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

Note: This document contains forward-looking statements that reflect the Company's judgments based on various assumptions. The Company makes no guarantees or promises regarding the certainty, completeness, or implementation status of such statements.