



Note: This document has been translated from a part of 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.

August 9, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
 URL: <https://www.furukawakk.co.jp>
 Representative: Minoru Nakatogawa, President and Representative Director
 Inquiries: Tsuyoshi Tajika, General Manager, Accounting Department
 Telephone: +81-3-6636-9502

Scheduled date to file quarterly securities report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	47,472	(9.8)	2,761	25.9	4,267	23.4	2,434	3.5
June 30, 2022	52,611	15.3	2,192	0.3	3,459	29.8	2,351	59.4

Note: Comprehensive income For the three months ended June 30, 2023: ¥ 5,057 million [264.4%]
 For the three months ended June 30, 2022: ¥ 1,387 million [(36.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	63.87	–
June 30, 2022	60.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	241,987	109,175	43.8
March 31, 2023	232,745	106,050	44.2

Reference: Equity

As of June 30, 2023: ¥ 106,004 million

As of March 31, 2023: ¥ 102,946 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		0.00	–	50.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	92,000	(12.0)	3,700	9.7	3,700	(29.1)	11,600	236.4	304.33
Fiscal year ending March 31, 2024	184,500	(13.9)	9,200	1.9	9,200	(1.6)	15,300	146.3	401.41

Note: Revisions to the forecast of financial results most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	40,445,568 shares
As of March 31, 2023	40,445,568 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2023	2,329,617 shares
As of March 31, 2023	2,329,563 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	38,115,979 shares
Three months ended June 30, 2022	38,823,615 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Caution concerning forward-looking statements

The forward-looking statements, including earnings outlook, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. The Company makes no warranty as to the achievability of the projections. Actual business and other results may differ substantially from the statements herein due to a number of factors.

Attached Material**Index**

1. Quarterly Consolidated Financial Statements and Significant Notes Thereto	2
(1) Quarterly consolidated balance sheet	2
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income	4
Quarterly consolidated statement of income (cumulative)	4
Quarterly consolidated statement of comprehensive income (cumulative)	5
Supplementary Material on Financial Results for the Three Months Ended June 30, 2023.....	6

1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	13,606	17,593
Notes and accounts receivable - trade, and contract assets	35,502	26,683
Merchandise and finished goods	18,705	20,083
Work in process	12,213	13,831
Raw materials and supplies	15,584	19,660
Other	4,318	7,241
Allowance for doubtful accounts	(47)	(45)
Total current assets	99,882	105,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,435	23,068
Land	53,910	53,920
Other, net	13,636	14,149
Total property, plant and equipment	90,981	91,138
Intangible assets	317	352
Investments and other assets		
Investment securities	34,711	38,685
Other	7,622	7,576
Allowance for doubtful accounts	(769)	(813)
Total investments and other assets	41,563	45,448
Total non-current assets	132,862	136,939
Total assets	232,745	241,987

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,397	14,644
Electronically recorded obligations - operating	9,244	9,497
Short-term borrowings	16,607	21,631
Income taxes payable	1,711	444
Provisions	202	305
Other	20,947	20,986
Total current liabilities	63,111	67,510
Non-current liabilities		
Long-term borrowings	46,240	46,840
Provisions	97	20
Retirement benefit liability	2,481	2,119
Asset retirement obligations	228	230
Other	14,534	16,092
Total non-current liabilities	63,583	65,302
Total liabilities	126,695	132,812
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	58,847	59,376
Treasury shares	(3,086)	(3,086)
Total shareholders' equity	83,971	84,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,320	15,257
Deferred gains or losses on hedges	(77)	(606)
Revaluation reserve for land	2,582	2,582
Foreign currency translation adjustment	1,564	1,718
Remeasurements of defined benefit plans	2,584	2,551
Total accumulated other comprehensive income	18,974	21,503
Non-controlling interests	3,103	3,170
Total net assets	106,050	109,175
Total liabilities and net assets	232,745	241,987

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	52,611	47,472
Cost of sales	45,785	39,902
Gross profit	6,826	7,570
Selling, general and administrative expenses	4,633	4,808
Operating profit	2,192	2,761
Non-operating income		
Dividend income	424	500
Foreign exchange gains	1,047	950
Other	181	501
Total non-operating income	1,652	1,952
Non-operating expenses		
Interest expenses	118	119
Administrative expenses of inactive mountain	187	216
Other	80	109
Total non-operating expenses	386	446
Ordinary profit	3,459	4,267
Extraordinary income		
Gain on sale of investment securities	51	28
Other	4	1
Total extraordinary income	55	30
Extraordinary losses		
Demolition expenses of a rental building	47	458
Other	76	56
Total extraordinary losses	124	514
Profit before income taxes	3,389	3,783
Income taxes - current	891	417
Income taxes - deferred	97	859
Total income taxes	988	1,277
Profit	2,401	2,506
Profit attributable to non-controlling interests	49	71
Profit attributable to owners of parent	2,351	2,434

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,401	2,506
Other comprehensive income		
Valuation difference on available-for-sale securities	(746)	2,938
Deferred gains or losses on hedges	(1,039)	(500)
Foreign currency translation adjustment	641	154
Remeasurements of defined benefit plans, net of tax	(35)	(33)
Share of other comprehensive income of entities accounted for using equity method	166	(8)
Total other comprehensive income	(1,013)	2,550
Comprehensive income	1,387	5,057
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,286	4,963
Comprehensive income attributable to non-controlling interests	101	93

Supplementary Material on Financial Results for the Three Months Ended June 30, 2023

August 9, 2023
Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change	Fiscal year ending March 31, 2024			
				Six month forecast	Year-on- year change	Forecast	Year-on- year change
Machinery business	18,177	18,866	688	40,900	966	87,000	5,341
Industrial Machinery segment	3,640	2,348	(1,292)	6,400	(1,462)	18,500	556
Rock Drill Machinery segment	7,619	9,350	1,731	19,600	1,596	36,000	247
UNIC Machinery segment	6,917	7,167	249	14,900	832	32,500	4,538
Materials business	33,047	27,156	(5,891)	48,100	(13,864)	91,600	(35,204)
Metals segment	28,832	23,049	(5,782)	39,900	(14,003)	74,800	(36,624)
Electronics segment	1,867	1,765	(102)	3,600	(0)	7,700	773
Chemicals segment	2,348	2,341	(6)	4,600	138	9,100	645
Real Estate segment	531	443	(88)	900	(167)	1,700	(356)
Others segment	854	1,006	152	2,100	489	4,200	528
Total	52,611	47,472	(5,138)	92,000	(12,576)	184,500	(29,690)

Operating profit

	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change	Fiscal year ending March 31, 2024			
				Six month forecast	Year-on- year change	Forecast	Year-on- year change
Machinery business	940	1,404	463	2,700	817	7,400	1,306
Industrial Machinery segment	75	(4)	(80)	100	86	1,500	(15)
Rock Drill Machinery segment	431	961	530	1,700	642	3,100	69
UNIC Machinery segment	433	446	13	900	88	2,800	1,252
Materials business	1,064	1,318	253	900	(275)	1,600	(709)
Metals segment	612	933	320	300	(192)	500	(776)
Electronics segment	208	173	(35)	200	(121)	400	(100)
Chemicals segment	243	211	(32)	400	38	700	167
Real Estate segment	202	112	(89)	200	(224)	400	(435)
Others segment	4	(60)	(64)	(100)	(40)	(150)	(16)
(Subtotal)	2,211	2,775	563	3,700	277	9,250	145
Eliminations/corporate	(18)	(13)	5	0	50	(50)	23
Total	2,192	2,761	568	3,700	327	9,200	168

Exchange rate/Copper price

		Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change	Fiscal year ending March 31, 2024			
					Six month forecast	Year-on- year change	Forecast	Year-on- year change
Exchange rate	Yen/\$	129.6	137.4	7.8	136.2	2.2	135.6	0.1
Copper price	\$/mt	9,526	8,478	(1,048)	8,239	(395)	8,120	(431)

* Reference Information (the below values are reference values)

1. Industrial Machinery segment order balance

The Industrial Machinery segment mainly provides built-to-order manufacturing, and the order balance as of the end of the first quarter is as follows.

	As of June 30, 2022	As of June 30, 2023	Year-on-year change
Order backlog	¥12.2 billion	¥16.3 billion	¥4.1 billion

2. Profit or loss from metal price fluctuations in the Metals segment

	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change
Operating profit	¥0.61 billion	¥0.93 billion	¥0.32 billion
Of which was due to price fluctuations	¥0.63 billion	¥0.70 billion	¥0.06 billion
Copper	[¥0.24 billion]	[¥0.30 billion]	[¥0.05 billion]
Gold	[¥0.37 billion]	[¥0.36 billion]	[¥(0.00) billion]