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May 13, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
 URL: <https://www.furukawakk.co.jp>
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Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	188,255	(12.1)	8,524	(5.6)	10,384	11.1	16,097	159.1
March 31, 2023	214,190	7.6	9,031	16.8	9,348	3.9	6,211	(4.1)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥ 30,776 million [248.5%]
 For the fiscal year ended March 31, 2023: ¥ 8,830 million [10.1%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	429.28	–	13.8	4.2	4.5
March 31, 2023	161.97	–	6.2	4.0	4.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: ¥ 539 million

For the fiscal year ended March 31, 2023: ¥ (860) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	259,878	133,272	50.0	3,493.08
March 31, 2023	232,745	106,050	44.2	2,700.87

Reference: Equity

As of March 31, 2024: ¥ 129,907 million

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	10,492	1,915	(8,446)	18,193
March 31, 2023	6,148	(1,617)	(5,934)	13,606

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	–	0.00	–	50.00	50.00	1,905	30.9	1.9
Fiscal year ended	–	0.00	–	55.00	55.00	2,045	12.8	1.7
March 31, 2024								
Fiscal year ending	–	30.00	–	30.00	60.00		15.9	
March 31, 2025 (Forecast)								

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	91,000	(4.0)	3,700	(19.6)	3,700	(39.1)	10,000	(22.6)	268.89
Fiscal year ending									
March 31, 2025	187,700	(0.3)	8,700	2.1	8,000	(23.0)	14,000	(13.0)	376.45

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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
- (3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	3,255,730 shares
As of March 31, 2023	2,329,563 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	37,498,667 shares
Fiscal year ended March 31, 2023	38,351,979 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	7,429	(5.2)	2,568	(21.1)	3,150	(1.4)	12,643	311.4
March 31, 2023	7,834	2.2	3,254	4.8	3,195	(12.7)	3,073	4.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	337.17	–
March 31, 2023	80.14	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	174,933	86,171	49.3	2,317.08
March 31, 2023	149,860	65,727	43.9	1,724.42

Reference: Equity

As of March 31, 2024: ¥ 86,171 million

As of March 31, 2023: ¥ 65,727 million

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	4,900	(4.6)	2,400	(11.4)	2,300	(29.8)	9,500	(23.2)	255.45
Fiscal year ending March 31, 2025	7,500	0.9	2,500	(2.7)	2,200	(30.2)	10,500	(17.0)	282.34

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(1) 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.

(2) Financial results briefing (for securities analysts and institutional investors)

The Company will hold a financial results briefing through livestreaming. Furthermore, the Company plans to post supplementary materials and a video of the results briefing on its website.

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1. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,606	18,513
Notes and accounts receivable - trade, and contract assets	35,502	30,408
Merchandise and finished goods	18,705	20,044
Work in process	12,213	13,670
Raw materials and supplies	15,584	13,699
Other	4,318	3,350
Allowance for doubtful accounts	(47)	(50)
Total current assets	99,882	99,636
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,435	23,365
Machinery, equipment and vehicles, net	9,384	9,952
Land	53,910	51,765
Leased assets, net	463	592
Construction in progress	900	3,412
Other, net	2,888	2,957
Total property, plant and equipment	90,981	92,045
Intangible assets	317	342
Investments and other assets		
Investment securities	34,711	47,383
Long-term loans receivable	4,573	5,112
Deferred tax assets	749	432
Retirement benefit asset	351	2,692
Other	1,947	14,659
Allowance for doubtful accounts	(769)	(2,426)
Total investments and other assets	41,563	67,853
Total non-current assets	132,862	160,241
Total assets	232,745	259,878

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,397	14,267
Electronically recorded obligations - operating	9,244	11,135
Short-term borrowings	16,607	6,558
Lease liabilities	186	250
Accounts payable - other	12,806	9,862
Income taxes payable	1,711	3,169
Provision for bonuses	137	145
Provision for loss on construction contracts	6	-
Provision for environmental measures	58	5
Provision for loss on litigation	-	136
Other provisions	-	67
Other	7,954	6,070
Total current liabilities	63,111	51,669
Non-current liabilities		
Bonds payable	-	5,000
Long-term borrowings	46,240	46,831
Lease liabilities	387	657
Deferred tax liabilities	10,141	17,083
Deferred tax liabilities for land revaluation	1,367	1,364
Retirement benefit liability	2,481	956
Provision for environmental measures	-	15
Other provisions	97	5
Asset retirement obligations	228	234
Other	2,638	2,788
Total non-current liabilities	63,583	74,935
Total liabilities	126,695	126,605
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	58,847	73,046
Treasury shares	(3,086)	(4,707)
Total shareholders' equity	83,971	96,549
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,320	23,342
Deferred gains or losses on hedges	(77)	36
Revaluation reserve for land	2,582	2,575
Foreign currency translation adjustment	1,564	2,232
Remeasurements of defined benefit plans	2,584	5,172
Total accumulated other comprehensive income	18,974	33,358
Non-controlling interests	3,103	3,365
Total net assets	106,050	133,272
Total liabilities and net assets	232,745	259,878

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	214,190	188,255
Cost of sales	185,575	160,010
Gross profit	28,615	28,245
Selling, general and administrative expenses		
Freight and incidental costs	3,005	2,572
Salaries, allowances and bonuses	7,910	8,230
Provision for bonuses	78	78
Provision for retirement benefits	525	401
Provision of allowance for doubtful accounts	10	-
Research and development expenses	1,055	935
Other	6,998	7,503
Total selling, general and administrative expenses	19,583	19,721
Operating profit	9,031	8,524
Non-operating income		
Dividend income	847	991
Share of profit of entities accounted for using equity method	-	539
Foreign exchange gains	1,462	1,162
Other	836	961
Total non-operating income	3,146	3,655
Non-operating expenses		
Interest expenses	501	510
Share of loss of entities accounted for using equity method	860	-
Administrative expenses of inactive mountain	814	816
Other	654	467
Total non-operating expenses	2,829	1,795
Ordinary profit	9,348	10,384
Extraordinary income		
Gain on sale of non-current assets	47	13,433
Gain on sale of investment securities	362	2,659
Other	0	-
Total extraordinary income	410	16,092
Extraordinary losses		
Demolition expenses of a rental building	470	458
Loss on liquidation of investments and loans in affiliated companies	-	2,058
Other	781	708
Total extraordinary losses	1,252	3,224
Profit before income taxes	8,506	23,252
Income taxes - current	2,811	5,378
Income taxes - deferred	(762)	1,552
Total income taxes	2,049	6,931
Profit	6,457	16,321
Profit attributable to non-controlling interests	245	224
Profit attributable to owners of parent	6,211	16,097

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,457	16,321
Other comprehensive income		
Valuation difference on available-for-sale securities	491	11,027
Deferred gains or losses on hedges	106	93
Foreign currency translation adjustment	1,413	996
Remeasurements of defined benefit plans, net of tax	77	2,587
Share of other comprehensive income of entities accounted for using equity method	282	(250)
Total other comprehensive income	2,373	14,454
Comprehensive income	8,830	30,776
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,522	30,488
Comprehensive income attributable to non-controlling interests	308	287

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	54,557	(2,197)	80,570
Changes during period					
Dividends of surplus			(1,941)		(1,941)
Profit attributable to owners of parent			6,211		6,211
Purchase of treasury shares				(888)	(888)
Reversal of revaluation reserve for land			19		19
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,290	(888)	3,401
Balance at end of period	28,208	2	58,847	(3,086)	83,971

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,832	(292)	2,602	35	2,506	16,683	2,821	100,075
Changes during period								
Dividends of surplus								(1,941)
Profit attributable to owners of parent								6,211
Purchase of treasury shares								(888)
Reversal of revaluation reserve for land								19
Net changes in items other than shareholders' equity	487	215	(19)	1,529	77	2,291	282	2,573
Total changes during period	487	215	(19)	1,529	77	2,291	282	5,975
Balance at end of period	12,320	(77)	2,582	1,564	2,584	18,974	3,103	106,050

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	58,847	(3,086)	83,971
Changes during period					
Dividends of surplus			(1,905)		(1,905)
Profit attributable to owners of parent			16,097		16,097
Purchase of treasury shares				(1,621)	(1,621)
Reversal of revaluation reserve for land			7		7
Net changes in items other than shareholders' equity					
Total changes during period	-	-	14,198	(1,621)	12,577
Balance at end of period	28,208	2	73,046	(4,707)	96,549

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,320	(77)	2,582	1,564	2,584	18,974	3,103	106,050
Changes during period								
Dividends of surplus								(1,905)
Profit attributable to owners of parent								16,097
Purchase of treasury shares								(1,621)
Reversal of revaluation reserve for land								7
Net changes in items other than shareholders' equity	11,022	113	(7)	667	2,587	14,383	261	14,645
Total changes during period	11,022	113	(7)	667	2,587	14,383	261	27,222
Balance at end of period	23,342	36	2,575	2,232	5,172	33,358	3,365	133,272

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,506	23,252
Depreciation	4,114	4,387
Loss (gain) on sale of property, plant and equipment	255	(13,150)
Loss (gain) on sale of investment securities	(362)	(2,659)
Share of loss (profit) of entities accounted for using equity method	860	(539)
Increase (decrease) in allowance for doubtful accounts	(7)	1,583
Interest and dividend income	(1,110)	(1,331)
Interest expenses	501	510
Foreign exchange losses (gains)	(81)	(482)
Decrease (increase) in trade receivables	(6,798)	5,366
Decrease (increase) in inventories	3,219	(314)
Increase (decrease) in trade payables	(2,143)	1,109
Increase (decrease) in accounts payable - other	(1,119)	(3,832)
Other, net	3,058	(1,074)
Subtotal	8,892	12,828
Interest and dividends received	1,073	1,381
Interest paid	(494)	(503)
Income taxes paid	(3,400)	(4,116)
Income taxes refund	76	902
Net cash provided by (used in) operating activities	6,148	10,492
Cash flows from investing activities		
Payments into time deposits	(0)	(319)
Purchase of property, plant and equipment	(3,361)	(6,405)
Proceeds from sale of property, plant and equipment	239	5,464
Payments for retirement of property, plant and equipment	(261)	(255)
Proceeds from sale of investment securities	1,380	3,128
Proceeds from sale of shares of subsidiaries and associates	-	430
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	420	-
Other, net	(34)	(128)
Net cash provided by (used in) investing activities	(1,617)	1,915
Cash flows from financing activities		
Proceeds from short-term borrowings	57,408	14,748
Repayments of short-term borrowings	(58,300)	(21,860)
Proceeds from long-term borrowings	3,200	6,630
Repayments of long-term borrowings	(5,176)	(9,180)
Proceeds from issuance of bonds	-	5,000
Repayments of finance lease liabilities	(208)	(231)
Purchase of treasury shares	(888)	(1,621)
Dividends paid	(1,942)	(1,904)
Other, net	(25)	(26)
Net cash provided by (used in) financing activities	(5,934)	(8,446)
Effect of exchange rate change on cash and cash equivalents	541	625
Net increase (decrease) in cash and cash equivalents	(862)	4,587
Cash and cash equivalents at beginning of period	14,468	13,606
Cash and cash equivalents at end of period	13,606	18,193

Supplementary Material on Financial Results for the Fiscal Year Ended March 31, 2024

May 13, 2024
Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Fiscal year ended March 31, 2024	Year-on-year change
Machinery business	82,085	427
Industrial Machinery segment	15,548	(2,394)
Rock Drill Machinery segment	38,682	2,930
UNIC Machinery segment	27,853	(108)
Materials business	100,388	(26,416)
Metals segment	84,712	(26,711)
Electronics segment	6,766	(159)
Chemicals segment	8,908	454
Real Estate segment	1,873	(182)
Others segment	3,908	237
Total	188,255	(25,934)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
87,700	5,614
19,100	3,551
36,200	(2,482)
32,400	4,546
93,600	(6,788)
76,700	(8,012)
7,700	933
9,200	291
2,100	226
4,300	391
187,700	(555)

Operating profit

	Fiscal year ended March 31, 2024	Year-on-year change
Machinery business	5,696	(397)
Industrial Machinery segment	389	(1,125)
Rock Drill Machinery segment	4,148	1,117
UNIC Machinery segment	1,158	(389)
Materials business	2,765	456
Metals segment	1,945	668
Electronics segment	212	(288)
Chemicals segment	608	75
Real Estate segment	470	(365)
Others segment	(293)	(160)
(Subtotal)	8,638	(466)
Eliminations/corporate	(114)	(41)
Total	8,524	(507)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
7,400	1,703
1,900	1,510
3,100	(1,048)
2,400	1,241
1,000	(1,765)
0	(1,945)
400	187
600	(8)
600	129
(200)	93
8,800	161
(100)	14
8,700	175

Exchange rate • Copper price

		Fiscal year ended March 31, 2024	Year-on-year change
Exchange rate	Yen/\$	144.6	9.1
Copper price	\$/mt	8,362	(189)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
145.0	0.4
9,000	638

* 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 fiscal year under review is as follows.

	As of March 31, 2024	Year-on-year change
Order backlog	¥15.8 billion	¥1.6 billion

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

	Fiscal year ended March 31, 2024	Year-on-year change
Operating profit	¥1.94 billion	¥0.66 billion
Of which was due to price fluctuations	¥1.31 billion	¥0.13 billion
Copper	[¥0.18 billion]	[¥0.10 billion]
Gold	[¥1.03 billion]	[¥0.01 billion]