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August 7, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
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 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, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	47,657	0.4	2,296	(16.9)	3,130	(26.6)	2,258	(7.2)
June 30, 2023	47,472	(9.8)	2,761	25.9	4,267	23.4	2,434	3.5

Note: Comprehensive income For the three months ended June 30, 2024: ¥ 2,142 million [(57.6)%]
 For the three months ended June 30, 2023: ¥ 5,057 million [264.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	60.72	–
June 30, 2023	63.87	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	267,866	133,345	48.5
March 31, 2024	259,878	133,272	50.0

Reference: Equity

As of June 30, 2024: ¥ 129,930 million

As of March 31, 2024: ¥ 129,907 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, 2024	–	0.00	–	55.00	55.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		30.00	–	30.00	60.00

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, 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

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: Yes
 - (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, 2024	40,445,568 shares
As of March 31, 2024	40,445,568 shares

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

As of June 30, 2024	3,255,793 shares
As of March 31, 2024	3,255,730 shares

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

Three months ended June 30, 2024	37,189,789 shares
Three months ended June 30, 2023	38,115,979 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

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1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	18,513	13,992
Notes and accounts receivable - trade, and contract assets	30,408	31,702
Merchandise and finished goods	20,044	22,421
Work in process	13,670	12,788
Raw materials and supplies	13,699	16,853
Other	3,350	10,773
Allowance for doubtful accounts	(50)	(45)
Total current assets	99,636	108,486
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,365	25,187
Land	51,765	51,709
Other, net	16,914	14,773
Total property, plant and equipment	92,045	91,670
Intangible assets	342	329
Investments and other assets		
Investment securities	47,383	46,247
Other	22,897	23,010
Allowance for doubtful accounts	(2,426)	(1,878)
Total investments and other assets	67,853	67,379
Total non-current assets	160,241	159,379
Total assets	259,878	267,866

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,267	17,152
Electronically recorded obligations - operating	11,135	10,953
Short-term borrowings	6,558	13,219
Income taxes payable	3,169	750
Provisions	356	452
Other	16,183	18,415
Total current liabilities	51,669	60,943
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	46,831	46,121
Provisions	20	27
Retirement benefit liability	956	965
Asset retirement obligations	234	235
Other	21,893	21,227
Total non-current liabilities	74,935	73,577
Total liabilities	126,605	134,521
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	73,046	73,259
Treasury shares	(4,707)	(4,708)
Total shareholders' equity	96,549	96,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,342	22,721
Deferred gains or losses on hedges	36	(136)
Revaluation reserve for land	2,575	2,575
Foreign currency translation adjustment	2,232	2,958
Remeasurements of defined benefit plans	5,172	5,049
Total accumulated other comprehensive income	33,358	33,168
Non-controlling interests	3,365	3,415
Total net assets	133,272	133,345
Total liabilities and net assets	259,878	267,866

(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, 2023	Three months ended June 30, 2024
Net sales	47,472	47,657
Cost of sales	39,902	40,626
Gross profit	7,570	7,031
Selling, general and administrative expenses	4,808	4,735
Operating profit	2,761	2,296
Non-operating income		
Dividend income	500	484
Share of profit of entities accounted for using equity method	88	274
Foreign exchange gains	950	464
Other	412	134
Total non-operating income	1,952	1,358
Non-operating expenses		
Interest expenses	119	128
Administrative expenses of inactive mountain	216	254
Other	109	140
Total non-operating expenses	446	524
Ordinary profit	4,267	3,130
Extraordinary income		
Gain on sale of investment securities	28	6
Subsidy income	-	12
Gain on sale of golf club membership	-	11
Other	1	1
Total extraordinary income	30	32
Extraordinary losses		
Impairment losses	-	63
Demolition expenses of a rental building	458	-
Other	56	21
Total extraordinary losses	514	84
Profit before income taxes	3,783	3,078
Income taxes - current	417	565
Income taxes - deferred	859	208
Total income taxes	1,277	774
Profit	2,506	2,303
Profit attributable to non-controlling interests	71	45
Profit attributable to owners of parent	2,434	2,258

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	2,506	2,303
Other comprehensive income		
Valuation difference on available-for-sale securities	2,938	(620)
Deferred gains or losses on hedges	(500)	(172)
Foreign currency translation adjustment	154	754
Remeasurements of defined benefit plans, net of tax	(33)	(122)
Share of other comprehensive income of entities accounted for using equity method	(8)	–
Total other comprehensive income	2,550	(161)
Comprehensive income	5,057	2,142
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,963	2,068
Comprehensive income attributable to non-controlling interests	93	74

Supplementary Material on Financial Results for the Three Months Ended June 30, 2024

August 7, 2024
Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year change	Fiscal year ending March 31, 2025			
				Six month forecast	Year-on- year change	Forecast	Year-on- year change
Machinery business	18,866	20,722	1,856	41,400	1,097	84,300	2,214
Industrial Machinery segment	2,348	4,847	2,499	8,600	2,545	19,100	3,551
Rock Drill Machinery segment	9,350	8,875	(475)	17,800	(2,161)	33,400	(5,282)
UNIC Machinery segment	7,167	6,999	(167)	15,000	713	31,800	3,946
Materials business	27,156	25,415	(1,740)	46,500	(5,003)	97,000	(3,388)
Metals segment	23,049	21,441	(1,608)	38,500	(4,859)	80,100	(4,612)
Electronics segment	1,765	1,507	(258)	3,100	(440)	7,400	633
Chemicals segment	2,341	2,467	125	4,900	296	9,500	591
Real Estate segment	443	511	68	1,000	96	2,100	226
Others segment	1,006	1,007	0	2,100	16	4,300	391
Total	47,472	47,657	185	91,000	(3,793)	187,700	(555)

Operating profit

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year change	Fiscal year ending March 31, 2025			
				Six month forecast	Year-on- year change	Forecast	Year-on- year change
Machinery business	1,404	970	(434)	2,200	(381)	6,800	1,103
Industrial Machinery segment	(4)	(217)	(212)	100	383	1,500	1,110
Rock Drill Machinery segment	961	846	(115)	1,400	(746)	2,900	(1,248)
UNIC Machinery segment	446	340	(106)	700	(17)	2,400	1,241
Materials business	1,318	1,128	(190)	1,300	(612)	1,500	(1,265)
Metals segment	933	887	(45)	900	(354)	500	(1,445)
Electronics segment	173	(3)	(176)	0	(274)	400	187
Chemicals segment	211	244	32	400	16	600	(8)
Real Estate segment	112	185	72	300	73	600	129
Others segment	(60)	34	95	(100)	(13)	(100)	193
(Subtotal)	2,775	2,318	(456)	3,700	(934)	8,800	161
Eliminations/corporate	(13)	(22)	(9)	0	34	(100)	14
Total	2,761	2,296	(465)	3,700	(899)	8,700	175

Exchange rate/Copper price

		Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year change	Fiscal year ending March 31, 2025			
					Six month forecast	Year-on- year change	Forecast	Year-on- year change
Exchange rate	Yen/\$	137.4	155.9	18.5	152.9	11.9	151.5	6.8
Copper price	\$/mt	8,478	9,751	1,273	9,376	959	9,188	826

* 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, 2023	As of June 30, 2024	Year-on-year change
Order backlog	¥16.3 billion	¥14.1 billion	¥(2.1) billion

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

	Three months ended June 30, 2023	Three months ended June 30, 2024	Year-on-year change
Operating profit	¥0.93 billion	¥0.88 billion	¥(0.04) billion
Of which was due to price fluctuations	¥0.70 billion	¥0.60 billion	¥(0.09) billion
Copper	[¥0.30 billion]	[¥0.36 billion]	[¥0.06 billion]
Gold	[¥0.36 billion]	[¥0.20 billion]	[¥(0.16) billion]