



FURUKAWA CO., LTD.

Financial Results Briefing for the Fiscal Year Ended March 2021

May 25, 2021

[Number of Speakers]

1

Naohisa Miyakawa

President and Representative Director

Presentation

Miyakawa: This is Naohisa Miyakawa, President of FURUKAWA CO., LTD.

Due to the declaration of a state of emergency, we have decided to cancel the briefing of the financial results for the fiscal year ended March 2021, and to provide a presentation by video recording as we did for the second quarter results. Thank you for your understanding.

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In today's presentation, I will first explain the financial results for the fiscal year ended March 2021 and the full-year earnings forecasts for the fiscal year ending March 2022. Next, I will talk about the outlook for the formulation and announcement of the new Medium-Term Business Plan as we announced on May 13, when we notified you of postponing the announcement of the Medium-Term Business Plan 2022, and the strengthening of the Group's business structure to be achieved in FY2021 and FY2022. And finally, I will explain our plan to achieve carbon neutrality.

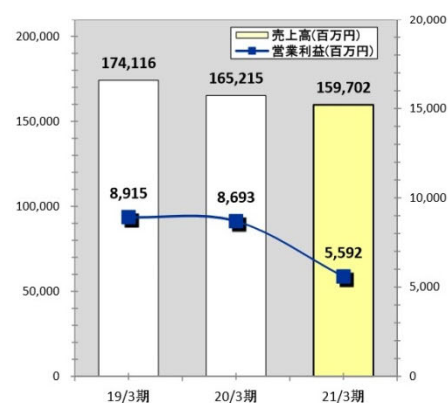
1. 2021年3月期 決算(連結)

【業績】

		2019年3月期	2020年3月期	2021年3月期	対前期 増減
売上高	百万円	174,116	165,215	159,702	△ 5,513
営業利益	百万円	8,915	8,693	5,592	△ 3,100
営業利益率	%	5.1	5.3	3.5	△ 1.8
経常利益	百万円	8,235	8,135	6,773	△ 1,361
親会社株主に帰属する 当期純利益	百万円	4,654	4,431	7,468	3,036

【財務状況】

		2020年3月期	2021年3月期	対前期末 増減
総資産	百万円	209,697	218,275	8,578
純資産	百万円	77,966	94,364	16,397
自己資本比率	%	36.0	42.0	6.0
1株当り純資産	円	1,926.32	2,348.53	422.21
ROE	%	5.8	8.9	3.1



This is a summary of the financial results for the fiscal year under review.

Net sales totaled JPY159.7 billion, a YoY decrease of JPY5.5 billion. Operating profit was JPY5.5 billion, a YoY decrease of JPY3.1 billion, and profit attributable to owners of parent was JPY7.4 billion, a YoY increase of JPY3 billion.

ROE improved by 3.1 percentage points to 8.9%. The details will be explained later.

新型コロナウイルス感染症拡大の影響について



部門	新型コロナウイルス感染症拡大の影響
産業機械	一部工事の中断や延期等があったものの、影響は限定的。
ロックドリル	国内は、全般的な機械の稼働率低下や機械購入の一時的な見送りにより、出荷が減少。トンネルドリルジャンボは需要に影響なし。 海外は、中国や一部の国・地域を除いて、行動制限などにより経済活動のレベルが低く、一年を通じて、全般的に機械購入に消極的な状況が続いた。
ユニック	国内は、首都圏において影響が顕著で、トラックの納入延期や、工事の中断・延期、レンタル会社の投資の見送りなどにより受注は低調でしたが、第2四半期以降は、トラック需要が徐々に回復傾向となり、ユニッククレーンの受注は前年並みに。 海外は、主に東南アジアで影響が大きく、ユニッククレーンの出荷が減少。欧米におけるミニクローラークレーンも、都市部の建設現場の工事中断などによる影響で出荷が減少。
金属	電気銅の海外相場は、世界経済の減速見通しから前期末に急落したが、景気回復期待感などを背景に上昇傾向となり、ワクチン供給、接種開始等を好感し、1年で大幅に上昇。電線、伸銅需要は、自動車産業の生産回復に伴い、第3四半期以降は前年同月並みとなったものの、電気銅の国内需要は、大きく減少。
電子	自動車産業などの生産活動に影響を受け、結晶製品やコイルの需要が減少したものの、第2四半期以降は回復傾向。
化成品	硫酸は影響を受け、顧客の在庫調整による需要減。
その他	室町古河三井ビルディング(COREDO室町2)の商業施設は、2020年3月頃から来館者が減少傾向となり、4月の緊急事態宣言を受け、臨時休館。営業再開後も来館者が通常時に比べ減少。

※新型コロナウイルス感染症が部門業績等に与える影響については、2021年3月期決算短信のP10に事業等のリスクとして詳細を記載しています。

First, I would like to explain the impact of COVID-19 on our company. The degree of the impact varied by segment.

In the Industrial Machinery segment, the impact was limited, although there was some suspension and postponement of construction work.

In the Rock Drill Machinery segment, shipments decreased in Japan due to lower machine utilization and suspended purchases, but there was no impact on demand for tunnel drill jumbos. Overseas, with the exception of China and some other countries and regions, economic activity was stagnant due to restrictions on behavior and other factors, and customer companies remained reluctant to purchase machinery throughout the year.

In the UNIC Machinery segment, the impact of COVID-19 in Japan was noticeable in the Tokyo metropolitan area, with orders being sluggish due to the postponement of truck deliveries, suspension and postponement of construction work, and postponement of investment by rental companies. However, demand for trucks entered a recovery trend in the second quarter, and orders for UNIC cranes were flat from the year-before level. Overseas, the results in Southeast Asia were significantly affected by COVID-19. Shipments of UNIC cranes decreased there. Shipments of mini crawler cranes decreased in Europe and the US due to the impact of interrupted construction work.

In the Metals segment, overseas market prices for electrolytic copper plummeted toward the end of the fiscal year ended March 2020 due to the prospect of a slowdown in the global economy, but turned up substantially in the fiscal year under review due to expectations of an economic recovery, the supply of vaccines, and the start of vaccinations. Demand for electric wires and copper products remained flat YoY from the third quarter

onward due to the recovery of production in the automobile industry, but domestic demand for electrolytic copper decreased significantly.

In the Electronics segment, demand for crystal products and coils decreased due to the impact of production activity in the automobile industry and other sectors, but there was a recovery trend in the second quarter and thereafter.

In the Chemicals segment, demand for sulfuric acid decreased due to inventory adjustments by customers.

In the Real Estate segment, the commercial facility in the Muromachi Furukawa Mitsui Building (COREDO Muromachi 2) was temporarily closed following the declaration of a state of emergency in April last year. After the facility resumed operations, the number of visitors declined compared to the normal state.

As for the details of the impact of COVID-19 on each segment's performance, et cetera, please refer to Business and Other Risks on page 10 of the Summary of Financial Results for the Fiscal Year Ended March 2021.

部門別業績(連結)



(単位:百万円)

売上高	2020年3月期	2021年3月期	対前期 増減
機械事業	82,691	68,635	△14,056
産業機械部門	23,237	16,682	△6,555
ロックドリル部門	27,663	24,149	△3,513
ユニック部門	31,791	27,804	△3,987
素材事業	79,366	88,203	8,836
金属部門	67,149	76,094	8,945
電子部門	5,506	5,741	235
化成品部門	6,710	6,367	△343
不動産事業	2,386	2,107	△278
その他	771	755	△15
合計	165,215	159,702	△5,513
営業利益	2020年3月期	2021年3月期	対前期 増減
機械事業	7,343	3,968	△3,374
産業機械部門	3,208	2,113	△1,094
ロックドリル部門	142	△1,324	△1,467
ユニック部門	3,992	3,180	△812
素材事業	776	1,040	264
金属部門	301	499	197
電子部門	△35	161	196
化成品部門	510	380	△130
不動産事業	735	736	0
その他	△94	△82	12
調整額	△68	△71	△2
合計	8,693	5,592	△3,100

	2021年3月期	対前期 増減
銅 価	6,879 \$/トン	1,019 \$/トン
為 替	106.1円/\$	△2.7円/\$

産業機械部門受注残

	2021年3月期	対前期末 増減
受 注 残	98億円	10億円

- ・山城総合運動公園城陽線(城陽橋)橋りょう新設改良工事
(京都府)
- ・中央新幹線第一首都圏トンネル新設(北品川区)工事
向け密閉式吊下げ型コンベヤ(SICON®) など

金属部門の金属価格変動影響による損益について

	2021年3月期	対前期 増減
営 業 利 益	4.9億円	1.9億円
内 価 格 影 響 分	15.1億円	10.1億円
銅	(9.4億円)	(9.4億円)
金	(4.6億円)	(△0.4億円)

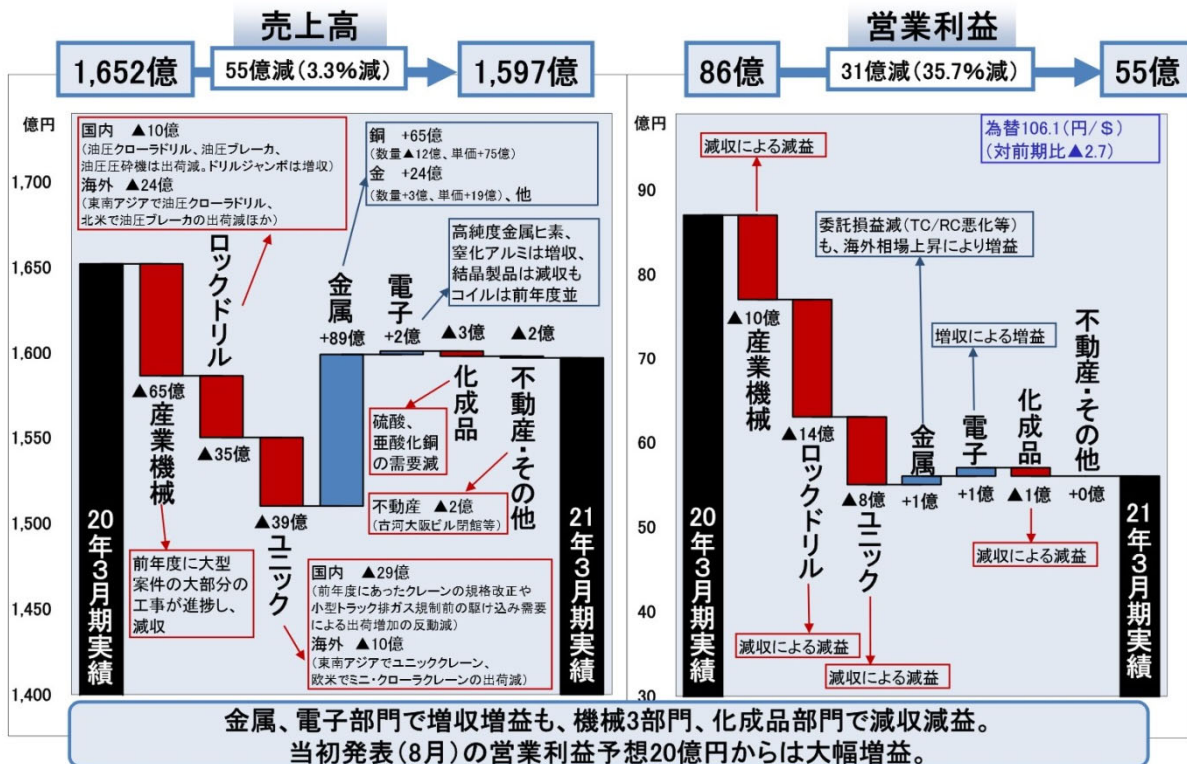
Under these circumstances, sales in the fiscal year under review incurred YoY falls in all segments except for the Metals and Electronics segments. Overall sales in the machinery business decreased by JPY14 billion to JPY68.6 billion, accounting for 43% of the total consolidated sales of JPY159.7 billion.

Operating profit decreased in all segments except for the Metals and Electronics segments. Operating profit in the machinery business as a whole totaled JPY3.9 billion, a YoY decrease of JPY3.3 billion, accounting for 71% of the overall operating profit of JPY5.5 billion.

For reference, the backlog of orders in the Industrial Machinery segment at the end of the year was JPY9.8 billion, an increase of JPY1 billion compared to the end of the previous fiscal year. The segment has received orders for constructing a new bridge in Kyoto Prefecture and a belt conveyor system and other equipment for tunnel construction for the Linear Chuo Shinkansen Line, a new bullet train line, in Shinagawa Ward of Tokyo.

In addition, the impact of metal price fluctuations on operating profit in the Metals segment was a positive JPY940 million for copper and a positive JPY460 million for gold, resulting in a JPY1.51 billion increase in profit due to the price effects.

部門別業績の増減(連結)/ 対前期



Next, I will explain YoY increases/decreases in net sales and operating profit and major factors by segment.

Industrial Machinery reported sales corresponding to the volume of finished work on a large-scale belt conveyor project, but it incurred falls in sales and profit because most of the work on materials-related machinery and large-scale projects had been completed in the previous fiscal year. However, the amount of operating profit, JPY2.1 billion, was the second biggest ever after the record profit posted in the previous fiscal year.

In the Rock Drill Machinery segment, shipments of hydraulic crawler drills, hydraulic breakers, and hydraulic crushers decreased in Japan, but sales of tunnel drill jumbos increased due in part to the contribution of fully automatic drill jumbos, which were launched in June 2020. Overseas, shipments of hydraulic crawler drills decreased mainly in Southeast Asia. So did those of hydraulic breakers in North America. As a result, sales declined significantly, and the segment incurred operating loss.

In the UNIC Machinery segment, orders for UNIC cranes were flat YoY as domestic demand for trucks entered a recovery trend in the second quarter. However, segment sales decreased YoY in reaction to active orders in the previous year, which had been supported by a rush in demand ahead of a partial revision to the mobile crane structural standards and a rush in demand prior to the enactment of the exhaust emission standards for light trucks. Overseas, shipments of UNIC cranes decreased in Southeast Asia. So did those of mini crawler cranes in North America. As a result, both sales and profit decreased YoY, but operating profit of JPY3.1 billion led the overall machinery business.

In the Metals segment, both sales and profit increased YoY due to a significant rise in the price of electrolytic copper, which offset a decline in profit in the contracted business caused by worsened purchasing conditions

for copper concentrate and other factors. Excluding the profit of JPY1.5 billion from the positive impact of prices, the segment would have incurred operating loss of about JPY1 billion.

In the Electronics segment, sales of crystal products decreased YoY and coils were flat, but demand for high-purity metallic arsenic was strong for use in compound semiconductors. Demand for aluminum nitrides increased for use in parts for heat countermeasures and components for semiconductor manufacturing equipment. As a result, the segment saw a YoY sales increase and reported operating profit, in a turnaround from operating loss in the previous fiscal year.

In the Chemicals segment, sales and profit decreased YoY due to a decrease in demand for sulfuric acid and copper suboxide.

In the Real Estate segment, sales and profit decreased YoY mainly due to the closure of the Furukawa Osaka Building.

Compared to the forecasts announced in August last year, we were able to significantly increase operating profit from the forecast of JPY2 billion to JPY5.5 billion. Operating profit in the overall machinery business was up approximately JPY1.5 billion from the forecasts.

連結損益計算書

(単位:百万円)

	2020年3月期	2021年3月期	対前期増減	
売上高	165,215	159,702	△5,513	
売上原価	138,940	137,508	△1,431	
(売上総利益)	26,275	22,194	△4,081	
販売費及び一般管理費	17,582	16,601	△980	
営業利益	8,693	5,592	△3,100	
営業外収益	1,595	2,749	1,154	
受取配当金	772	749	△22	主に日比共同製錬が好転 (前期は投資損失を計上)
受取利息	218	179	△38	
持分法による投資利益	-	355	355	前期は古河大阪ビルのテナント退去交渉 終了に伴う引当金の戻入を計上
為替差益	-	702	702	
テナント退去補償関連費用引当金戻入額	264	-	△264	
その他	340	762	421	
営業外費用	2,153	1,568	△584	
支払利息	512	456	△55	為替差損益の好転
休鉱山管理費	715	769	54	
為替差損	553	-	△553	
その他	372	342	△29	
経常利益	8,135	6,773	△1,361	
特別利益	701	4,105	3,403	
投資有価証券売却益	20	4,078	4,058	資産の有効活用および財務体質の健全化 に向け投資有価証券を売却
その他	681	26	△654	
特別損失	1,555	971	△584	
固定資産除売却損	143	151	7	前期は古河大名ビル(福岡)の 売却益5億83百万円を計上
投資有価証券評価損	1,029	-	△1,029	
賃貸ビル解体費用	-	730	730	前期は株価下落による 投資有価証券評価損を計上
その他	382	89	△292	
税金等調整前当期純利益	7,280	9,907	2,626	
法人税、住民税及び事業税	1,425	2,172	746	
法人税等調整額	1,213	65	△1,148	
当期純利益	4,641	7,670	3,028	
非支配株主に帰属する当期純利益	209	201	△8	
親会社株主に帰属する当期純利益	4,431	7,468	3,036	古河大阪ビルの解体工事進捗分の費用

This is the consolidated income statement

Major topics are described as you see. Below operating profit, there were gains related to foreign exchange rates and on equity in earnings of affiliates. We also reported extraordinary gain from the sale of investment securities as we dissolved part of our cross-shareholdings. As a result, profit attributable to owners of parent increased by JPY3 billion YoY to JPY7.4 billion.

連結貸借対照表

(単位:百万円)

	2020年3月期	2021年3月期	対前期末 増減
資産の部			
流動資産	85,725	88,625	2,900
固定資産	123,971	129,649	5,678
有形固定資産	89,838	89,817	△20
無形固定資産	361	341	△20
投資その他の資産	33,771	39,490	5,719
資産合計	209,697	218,275	8,578
負債の部			
流動負債	52,555	47,839	△4,716
固定負債	79,175	76,071	△3,103
負債合計	131,730	123,910	△7,819
純資産の部			
株主資本	71,018	76,373	5,355
資本金	28,208	28,208	-
資本剰余金	-	2	2
利益剰余金	44,507	50,025	5,518
自己株式	△1,697	△1,862	△165
その他の包括利益累計額	4,525	15,396	10,871
非支配株主持分	2,423	2,594	171
純資産合計	77,966	94,364	16,397
負債純資産合計	209,697	218,275	8,578

現金及び預金の増加、
受取手形及び売掛金の減少など

上場株式の株価上昇による
投資有価証券の増加など

電子記録債務、未払金の減少のほか
退職給付に係る負債の減少など

その他有価証券評価差額金、
退職給付に係る調整累計額の増加など

■有利子負債(借入金)

(単位:百万円)

	2020年3月期	2021年3月期	対前期末 増減
短期	8,570	8,436	△133
長期	61,842	61,246	△596
有利子負債合計	70,412	69,683	△729

Next is the consolidated balance sheet

Net assets increased by JPY16.3 billion to JPY94.3 billion, due to increases of JPY5.5 billion in retained earnings, JPY5.9 billion in valuation difference on available-for-sale securities, and JPY4.7 billion in accumulated adjustments for retirement benefits.

Interest-bearing debt decreased by JPY700 million to JPY69.6 billion. We repaid JPY8 billion out of the JPY10 billion we had raised at the beginning of the fiscal year as working capital in order to respond immediately to possible emergency fund demand amid the COVID-19 pandemic. We also repaid part of other loans.

2. 2022年3月期業績予想(連結)



【業績予想】

(単位:百万円)

	2021年3月期	2022年3月期 (予想)	対2021/3期 増減
売上高	159,702	184,400	24,697
営業利益	5,592	6,600	1,007
経常利益	6,773	6,600	△173
親会社株主に帰属する 当期純利益	7,468	3,600	△3,868
年間配当金	50円	50円	—

- ・売上高、営業利益は増収増益
- ・経常利益は為替差益の計上が寄与した前期に比し若干減益
- ・当期純利益は投資有価証券売却益を計上した前期に比し減益

	2021年3月期	2022年3月期 (予想)	対2021/3期 増減
銅 価	6,879 \$/ト	8,000 \$/ト	1,121 \$/ト
為 替	106.1円/\$	108.0円/\$	1.9円/\$

為替感応度について

- 1円の円安で年間約1億円の営業利益増
- ・機械事業(主にロックドリル)で約60百万円増
- ・金属部門で約40百万円増

(単位:百万円)

売上高	2021年3月期	2022年3月期 (予想)	対2021/3期 増減
機械事業	68,635	76,100	7,464
産業機械部門	16,682	18,700	2,017
ロックドリル部門	24,149	28,300	4,150
ユニット部門	27,804	29,100	1,295
素材事業	88,203	105,500	17,296
金属部門	76,094	92,700	16,605
電子部門	5,741	6,400	658
化成品部門	6,367	6,400	32
不動産事業	2,107	2,100	△7
その他	755	700	△55
合計	159,702	184,400	24,697

営業利益	2021年3月期	2022年3月期 (予想)	対2021/3期 増減
機械事業	3,968	6,300	2,331
産業機械部門	2,113	2,200	86
ロックドリル部門	△1,324	750	2,074
ユニット部門	3,180	3,350	169
素材事業	1,040	△100	△1,140
金属部門	499	△700	△1,199
電子部門	161	200	38
化成品部門	380	400	19
不動産事業	736	650	△86
その他	△82	△180	△97
調整額	△71	△70	1
合計	5,592	6,600	1,007

Next, I will explain our full-year earnings forecasts for the fiscal year ending March 2022.

We estimated net sales at JPY184.4 billion, operating profit at JPY6.6 billion, ordinary profit at JPY6.6 billion, and profit attributable to owners of parent at JPY3.6 billion.

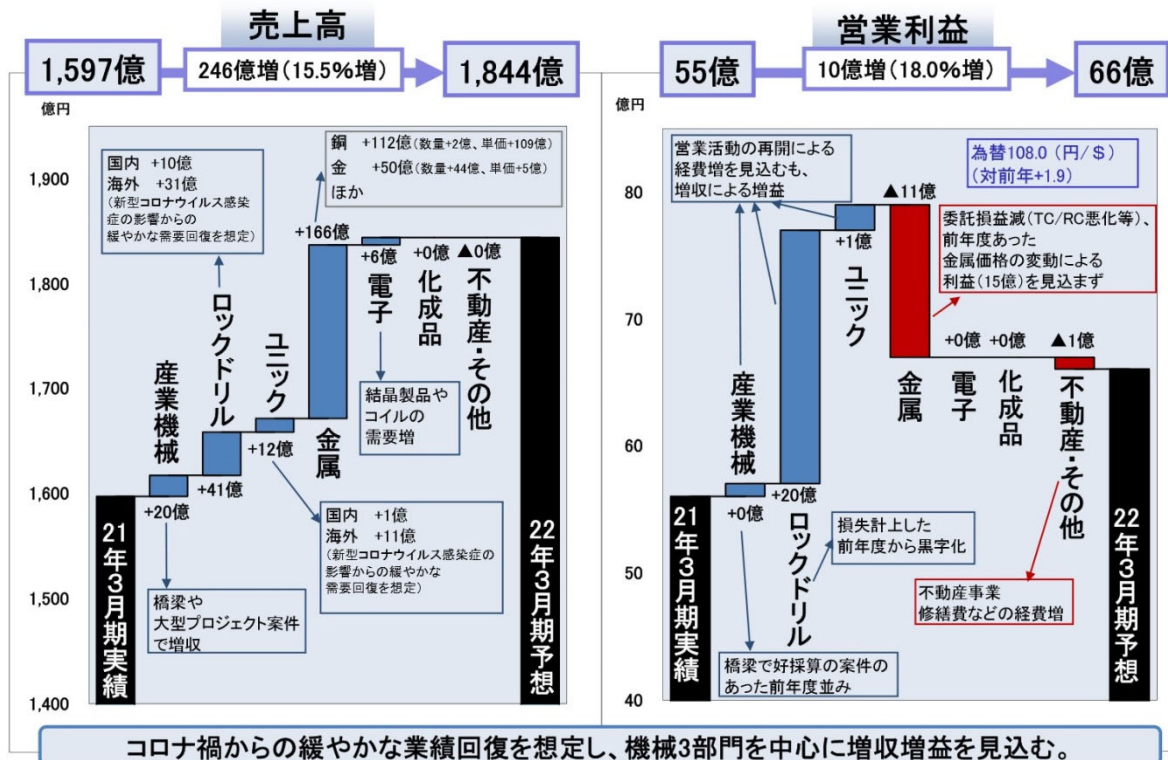
Sales and operating profit are expected to increase YoY, with operating profit for the machinery business as a whole rising JPY2.3 billion to JPY6.3 billion, accounting for 95% of the total forecasted operating profit of JPY6.6 billion.

Ordinary profit will decrease slightly YoY. There were the foreign exchange gains in the previous year. Profit attributable to owners of parent is also expected to decrease YoY, as there was the gain on the sale of investment securities in the previous year.

Our assumptions for copper prices, exchange rates, and exchange rate sensitivity are described in the lower left part.

The Company plans to maintain the dividend at JPY50 per share.

2022年3月期部門別業績予想の増減/ 対前年



Next, I will explain the factors behind the expected YoY increases/decreases in earnings by segment.

Sales will increase on the assumption that they will show a gradual recovery from the drop in demand due to the impact of COVID-19. Operating profit is expected to increase due to higher sales, which will offset an expected increase in expenses resulting from the resumption of sales activities, mainly in the machinery business.

In the Industrial Machinery segment, sales are expected to increase due to bridge construction and other large-scale projects, but operating profit is expected to be flat from the previous year, when highly profitable bridge projects contributed to profit.

The Rock Drill Machinery segment is expected to return to profitability, after it posted operating loss in the year under review. Sales and profit will increase YoY in Japan and overseas.

The UNIC Machinery segment is expected to see increases in sales and profit in Japan and overseas.

As for overseas demand for the Rock Drill Machinery and UNIC Machinery segments, we expect a full-scale recovery in the next fiscal year.

In the Metals segment, we raised our copper price assumption to USD8,000 per ton, up USD1,121 YoY, so sales of electrolytic copper are expected to increase. We also forecast sales of electrolytic gold will increase due to a rise in volume. However, we expect a YoY fall in operating profit because profit in the contracted business will decrease caused by the worse purchasing conditions for copper concentrate and we expect no profit from the fluctuations in metal prices as we enjoyed it in the previous year.

In the Electronics segment, sales and profit will increase on the assumption that demand for crystal products and coils will increase.

The Chemicals segment is expected to remain flat.

設備投資・減価償却費・研究開発費の状況(連結)

【設備投資の状況(連結)】

(単位:百万円)

設備投資額	2019年3月期	2020年3月期	2021年3月期	2022年3月期
機械事業	4,421	4,123	2,637	3,800
産業機械部門	269	404	1,253	2,700
ロックドリル部門	2,386	2,782	437	300
ユニック部門	1,765	936	946	800
素材事業	375	1,229	827	700
その他	645	585	679	800
合計	5,442	5,938	4,144	5,300

小山工場の設備投資
(新事務所棟建築)による増加

【減価償却費の状況(連結)】

減価償却費	3,473	3,589	3,879	4,000
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【研究開発費の状況(連結)】

研究開発費	1,504	1,177	1,164	1,300
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The actual results for the previous years and forecasts for the current fiscal year for capital investments, depreciation and amortization, and research and development expenses are shown in the table as you see.

The amount of capital investments significantly increased in the Industrial Machinery segment in the previous year, mainly due to the construction of a new office building at Oyama Works.

金属製品・為替・従業員の状況(連結)

【金属製品・為替の状況(連結)】

		2019年3月期	2020年3月期	2021年3月期	2022年3月期予想
銅 海外相場 (平均)	€/ポンド	287.6	265.8	312.0	362.8
	\$/トン	6,341	5,860	6,879	8,000
円相場 対米ドル平均(円/\$)		110.91	108.74	106.06	108.00

古河メタルリソース(株)生産販売	2019年3月期	2020年3月期	2021年3月期	2022年3月期予想
銅 生産量(t)	81,346	77,069	74,386	73,746
銅 販売量(t)	85,146	83,864	81,998	82,320

<銅の生産量について>

第一段階として、すでに共同製錬所における当社委託比率の見直しを実施しており、銅の生産量を、2018年3月期88,004t/年から上記の通り段階的に削減。

【従業員の状況(連結)】

	2019年3月末	2020年3月末	2021年3月末	対2020/3末増減
連結人員(名)	2,757	2,755	2,752	△3

The states of metal products, foreign exchange rates, and employees are shown in the tables below.

In the Metals segment, we plan to reduce copper output gradually. As the first step, we have already reviewed the ratio of our consigned copper production at the joint smelting works.

業績推移



【連結業績】																	(単位: 百万円)
	07年3月期	08年3月期	09年3月期	10年3月期	11年3月期	12年3月期	13年3月期	14年3月期	15年3月期	16年3月期	17年3月期	18年3月期	19年3月期	20年3月期	21年3月期	22年3月期(予想)	
売上高	200,749	213,426	161,857	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702	184,400	
営業利益	16,898	14,407	2,303	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592	6,600	
経常利益	15,613	12,940	993	1,111	1,231	1,266	2,763	6,150	6,603	6,227	7,202	8,105	8,235	8,135	6,773	6,600	
税金等控除(※1) 当期純利益	17,554	8,595	△5,917	585	563	△1,659	2,976	3,976	9,793	5,066	4,254	4,774	4,654	4,431	7,468	3,600	

過去の部門別実績と業績予想

【売上高】																	(単位: 百万円)
	07年3月期	08年3月期	09年3月期	10年3月期	11年3月期	12年3月期	13年3月期	14年3月期	15年3月期	16年3月期	17年3月期	18年3月期	19年3月期	20年3月期	21年3月期	22年3月期(予想)	
機械事業	67,795	75,841	62,639	44,313	47,025	53,198	56,852	71,111	75,990	72,232	66,803	73,453	77,580	82,691	68,635	76,100	
産業機械部門	14,119	17,331	15,836	12,783	10,655	12,949	12,894	18,527	16,712	14,926	14,041	15,871	17,971	23,237	16,682	18,700	
ロッドリル部門	33,046	37,497	29,427	20,386	23,880	24,143	23,305	26,842	30,910	30,076	26,979	30,199	30,372	27,663	24,149	29,300	
ユニック部門	20,629	21,012	17,375	11,142	12,490	16,105	20,651	25,741	28,367	27,229	25,782	27,381	28,237	31,791	27,804	29,100	
素材事業	100,656	112,796	80,175	82,128	92,203	77,917	88,026	90,162	93,270	85,644	78,968	89,987	92,722	79,366	88,203	105,500	
金属部門	84,753	97,519	68,786	71,132	79,979	68,114	77,944	78,684	81,513	74,192	67,853	77,334	80,067	67,149	76,094	92,700	
電子部門	9,364	8,751	5,568	5,969	7,147	4,615	4,987	5,381	5,743	5,477	5,816	6,307	6,527	5,506	5,741	6,400	
化成部門	6,538	6,525	5,820	5,025	5,076	5,187	5,093	6,096	6,013	5,973	5,298	6,344	6,127	6,710	6,367	6,400	
不動産事業	2,936	2,758	2,386	2,043	1,577	1,233	1,058	1,013	2,535	3,045	3,074	3,338	2,999	2,386	2,107	2,100	
その他	1,154	1,294	1,204	854	785	766	753	739	747	876	983	916	814	771	755	700	
塗料部門(※1)	—	—	—	3,692	15,040	14,874	15,078	—	—	—	—	—	—	—	—	—	
塗料部門(※2)	28,206	20,735	15,452	9,893	9,004	9,576	3,770	—	—	—	—	—	—	—	—	—	
合計	200,749	213,426	161,857	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702	184,400	

【営業利益】																	(単位: 百万円)
	07年3月期	08年3月期	09年3月期	10年3月期	11年3月期	12年3月期	13年3月期	14年3月期	15年3月期	16年3月期	17年3月期	18年3月期	19年3月期	20年3月期	21年3月期	22年3月期(予想)	
機械事業	5,901	6,837	1,733	△3,022	△566	1,970	2,923	5,333	6,551	5,882	3,580	5,083	6,567	7,343	3,968	6,300	
産業機械部門	72	837	767	433	△29	708	778	1,851	1,711	1,037	104	1,005	2,088	3,208	2,113	2,200	
ロッドリル部門	3,120	3,702	255	△2,584	△350	333	△67	341	1,225	2,217	897	1,782	1,689	142	△1,324	750	
ユニック部門	2,708	2,297	710	△870	△186	928	2,212	3,141	3,614	2,627	2,578	2,295	2,789	3,992	3,180	3,350	
素材事業	10,925	7,661	229	3,985	3,044	325	324	1,695	1,770	983	1,870	1,648	1,396	776	1,040	△100	
金属部門	8,837	6,206	23	3,224	1,494	308	282	1,503	1,449	1,154	1,738	867	581	301	499	△700	
電子部門	1,386	984	4	657	1,279	△234	△262	△123	52	△368	17	330	407	△35	161	200	
化成部門	701	470	201	104	269	251	304	315	267	197	114	451	406	510	380	400	
不動産事業	839	749	706	1,128	635	356	219	△43	776	1,276	1,265	1,339	1,163	735	736	650	
その他	△301	△228	△304	△376	△92	△93	△63	△60	△130	△72	△126	△196	△147	△94	△82	△180	
塗料部門(※1)	—	—	—	△19	△93	△329	65	—	—	—	—	—	—	—	—	—	
塗料部門(※2)	△114	△430	202	△29	△56	△13	△28	—	—	—	—	—	—	—	—	—	
調整額	△351	△181	△264	△69	△49	△60	△78	△39	△42	△80	△44	△55	△64	△68	△71	△70	
合計	16,898	14,407	2,303	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592	6,600	

※1 2013年3月に南トクベの株式会社により塗料部門から撤退
 ※2 2012年10月に古河コーマース南の株式会社により塗料部門から撤退
 注: 「セグメント情報等」の「開示に関する会計基準」の適用(11年3月期)により10年3月期の数値を同基準に置き換えて表示しています

銅値(\$/ト)	6,970	7,584	5,864	6,101	8,139	8,485	7,855	7,104	6,554	5,215	5,154	6,444	6,341	5,860	6,879	8,000
為替(円/\$)	118.03	114.28	100.54	92.85	85.71	79.07	83.10	100.24	109.93	120.13	108.42	110.85	110.91	108.74	106.06	108.00

Here is the long-term performance of the Company for reference.

This was the explanation of the financial results and earnings forecasts.

1. 2021年3月期 決算(連結)

2. 2022年3月期 業績予想(連結)

3. 新中期経営計画の策定および公表に関する今後の見通し

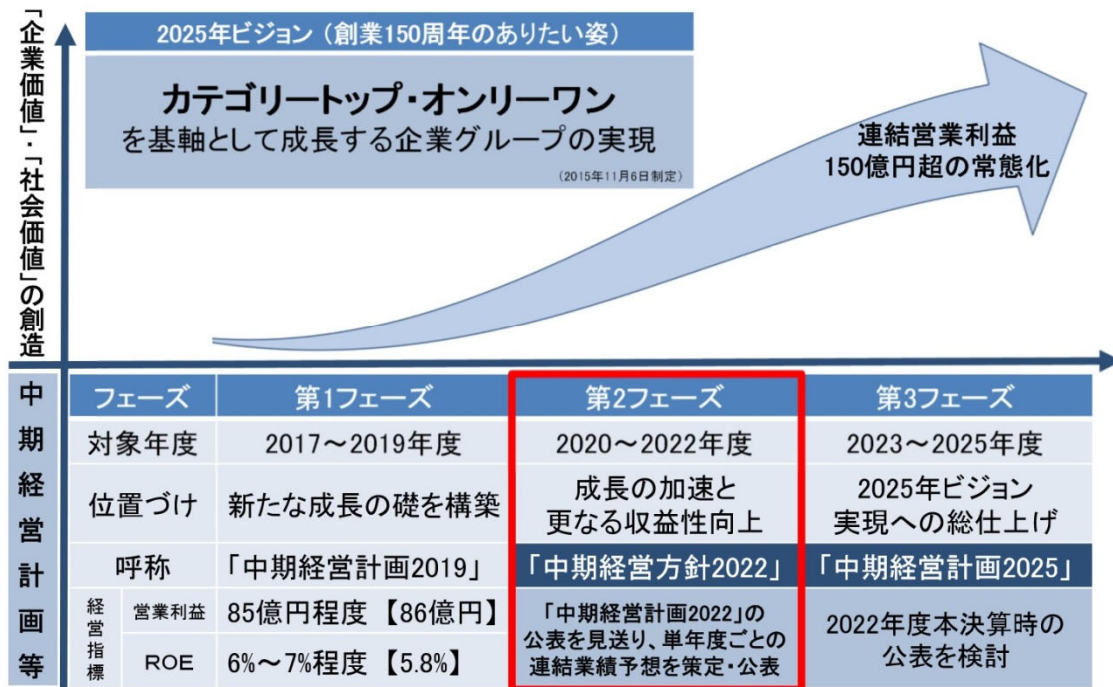
4. 2021・2022年度に目指す体質強化

5. カーボンニュートラルについて

6. 補足資料 中期経営方針2022(説明資料)

Next, I will explain the 3 items enclosed in the red box, including the outlook regarding the formulation and announcement of the new Medium-Term Business Plan.

3. 新中期経営計画の策定および公表に関する今後の見通し



As announced in the notice on May 13 of the postponement of the announcement of the Medium-Term Business Plan 2022, we had been preparing to announce the Medium-Term Business Plan 2022, the second phase of our Vision for 2025, at the same time as the announcement of the financial results in May 2021. However, the spread of COVID-19 is continuing in many countries, and there is no indication of when the pandemic will be brought under control. As a result, the Company has decided not to announce the Medium-Term Business Plan because our medium to long-term business environment is highly uncertain and it is difficult to forecast the future.

In the year 2025, the Company will mark the 150th anniversary of its founding. The year is the final year of our Vision for 2025. We will continue to consider announcing the Medium-Term Business Plan 2025, which will be the final phase of our Vision for 2025, possibly when we will announce the financial results for FY2022.

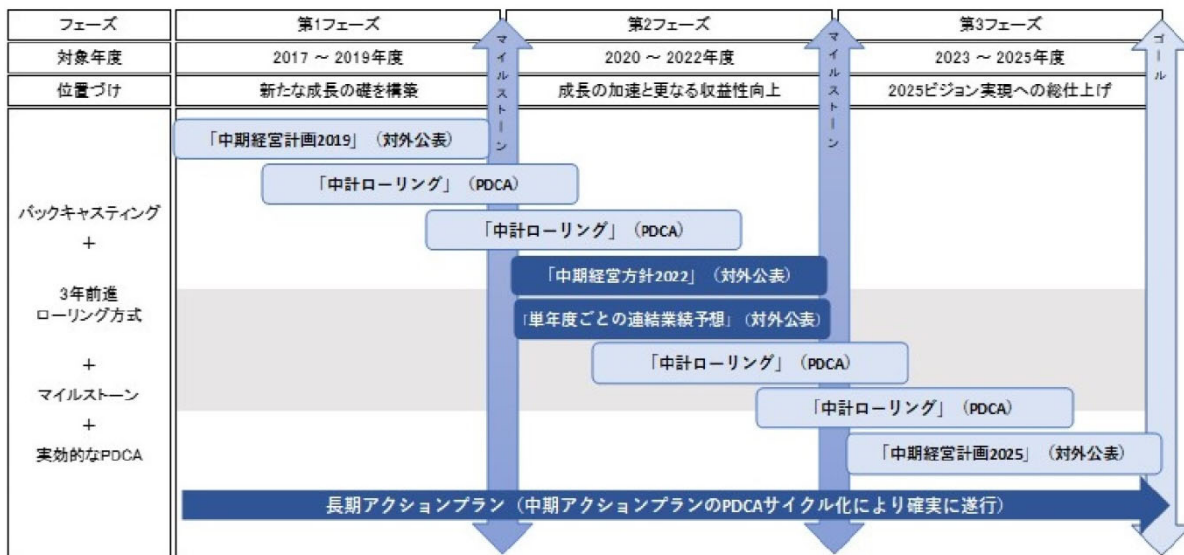
For FY2021 and FY2022, we will conduct business operations in accordance with the Medium-Term Business Policy 2022 and announce the earnings forecasts for each of the next fiscal years, respectively.

中期経営計画とPDCAサイクル

長期経営計画である2025年ビジョンを3つのフェーズに区分し、あらかじめ第1・第2フェーズにPDCA用のマイルストーン(非開示※1)を設定したうえで、2025年ビジョン達成のための重要なツールとして中期経営計画をローリングし、活用しています。

2021年度、2022年度は、新型コロナウイルス感染症による価値観やライフスタイル、ビジネスモデル等の変化を慎重に見極め、体質強化を強力に推進し、当社グループ業績の早期回復に注力する期間と位置づけます。

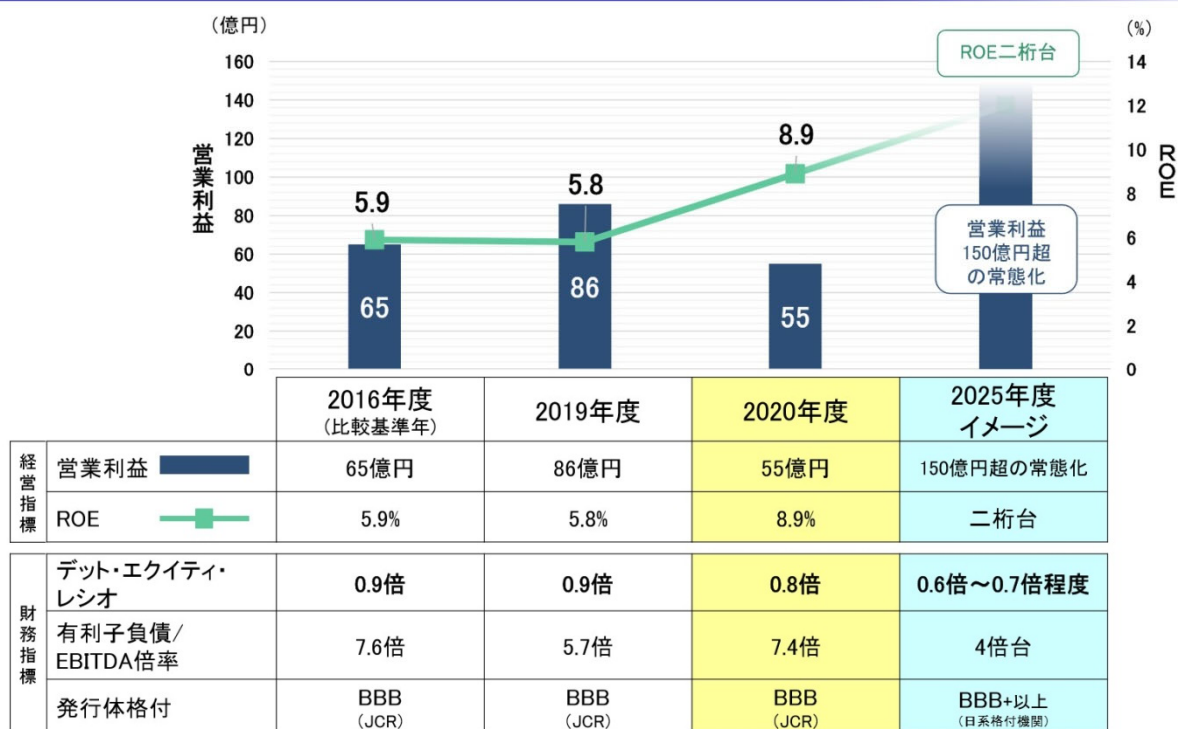
※1 PDCA用のマイルストーン(非開示): あらかじめ設定したPDCA用の数値(非開示)は、中期経営計画を公表する都度、公表値に置き換えています。



We have divided our Vision for 2025 into 3 phases, set the milestones for PDCA, and have used each Medium-Term Business Plan as an important tool to achieve our Vision for 2025 by rolling the plans.

We positioned FY2021 and FY2022 as a period for carefully assessing changes in values, lifestyles, business models, and others caused by COVID-19, vigorously promoting the strengthening of our business structure, and focusing on an early recovery of the Group's business performance.

経営指標・財務指標の推移



(※) デット・エクイティ・レシオ＝有利子負債(期末)÷自己資本(期末)
 (※) 有利子負債/EBITDA倍率＝有利子負債(期末)÷(営業利益＋減価償却費)

Management and financial indicators and their trends are shown here.

We aim to report operating profit of over JPY15 billion stably for FY2025. ROE was 8.9% in the fiscal year ended March 2021 due to the recording of extraordinary profit, but we aim for higher figures and a double-digit level by 2025.

We aim at the debt-to-equity ratio at around 0.6-fold to 0.7-fold in 2025. We aim at the debt/EBITDA multiple in the 4 times range. We will strive to improve our financial position, aiming for an issuer rating of BBB-plus.

セグメント業績の推移/ 売上高



[前提条件]	2016年度 (実績)	2017年度 (実績)	2018年度 (実績)	2019年度 (実績)	2020年度 (実績)	2021年度 (予想)
為替(円/USD)	108.4円/USD	110.9円/USD	110.9円/USD	108.7円/USD	106.1円/USD	108.0円/USD
LME銅価格	5,154 USD/t	6,444 USD/t	6,341USD/t	5,860 USD/t	6,879 USD/t	8,000 USD/t

「中期経営計画2022」の公表を見送り、単年度ごとの連結業績予想を策定し公表

(単位:百万円、単位未満切り捨て)

売上高	2016年度 (実績)	2017年度 (実績)	2018年度 (実績)	2019年度 (実績)	2020年度 (実績)	2021年度 (予想)	2022年度 (未定)
機械事業	66,803	73,453	77,580	82,691	68,635	76,100	-
産業機械部門	14,041	15,871	17,971	23,237	16,682	18,700	-
ロックドリル部門	26,979	30,199	30,372	27,663	24,149	28,300	-
ユニック部門	25,782	27,381	29,237	31,791	27,804	29,100	-
素材事業	78,968	89,987	92,722	79,366	88,203	105,500	-
金属部門	67,853	77,334	80,067	67,149	76,094	92,700	-
電子部門	5,816	6,307	6,527	5,506	5,741	6,400	-
化成品部門	5,298	6,344	6,127	6,710	6,367	6,400	-
不動産事業	3,074	3,338	2,999	2,386	2,107	2,100	-
その他	983	916	814	771	755	700	-
【合計】	149,829	167,695	174,116	165,215	159,702	184,400	-

This table shows the sales trends by segment after we set our Vision for 2025.

セグメント業績の推移/ 営業利益

「中期経営計画2022」の公表を見送り、
単年度ごとの連結業績予想を策定し公表

(単位:百万円、単位未満切り捨て)

営業利益	2016年度 (実績)	2017年度 (実績)	2018年度 (実績)	2019年度 (実績)	2020年度 (実績)	2021年度 (予想)	2022年度 (未定)
機械事業	3,580	5,083	6,567	7,343	3,968	6,300	-
(*構成比)	(53%)	(63%)	(72%)	(83%)	(69%)	(92%)	-
産業機械部門	104	1,005	2,088	3,208	2,113	2,200	-
ロックドリル部門	897	1,782	1,689	142	△1,324	750	-
ユニック部門	2,578	2,295	2,789	3,992	3,180	3,350	-
素材事業	1,870	1,648	1,396	776	1,040	△100	-
(*構成比)	(28%)	(20%)	(15%)	(9%)	(18%)	(-%)	-
金属部門	1,738	867	581	301	499	△700	-
電子部門	17	330	407	△35	161	200	-
化成品部門	114	451	406	510	380	400	-
不動産事業	1,265	1,339	1,163	735	736	650	-
(*構成比)	(19%)	(17%)	(13%)	(8%)	(13%)	(9%)	-
その他	△126	△196	△147	△94	△82	△180	-
(計)	6,590	7,875	8,980	8,761	5,663	6,670	-
調整額	△44	△55	△64	△68	△71	△70	-
【合計】	6,545	7,820	8,915	8,693	5,592	6,600	-

*構成比は、合計からその他、調整額を除いた額に対する比率

Similarly, this shows the operating profit trends.

4. 2021・2022年度に目指す体質強化

2021年度、2022年度は、体質強化(特に、**ロックドリル部門における海外マーケティング力の強化・再構築**、金属部門における委託製錬事業の抜本的な見直し、不動産事業における古河大阪ビルの将来構想の具現化等の重点課題)を強力に推進し、当社グループ業績の早期回復に注力する期間と位置づけます。

■ロックドリル部門における海外マーケティング力の強化・再構築

製品別・地域別戦略を明確化し、海外子会社の再編・統廃合も含め、抜本的に見直し、実行していく。

・選択と集中の徹底

重点地域の設定：

油圧ブレーカ → 欧米
当社オリジナル構造の機能や性能の評価が高い。

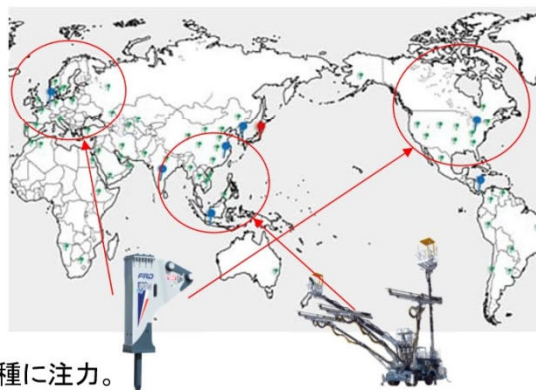
トンネルドリルジャンボ → 東南アジア
トンネル等のインフラ需要が見込まれる。

機種選別による集中販売：

油圧クローラドリルの機種構成を見直し、優位性の高い機種に注力。

海外体制の見直し：

重点地域設定に合わせ、現行の海外子会社7社体制を見直し、再編・統廃合を実施。



Now, I would like to focus on strengthening our company's structure for FY2021 and FY2022, which we have positioned as a period to focus on the early recovery of our group's performance.

The key issue in the Rock Drill Machinery segment is to strengthen and rebuild its overseas marketing capabilities. We will clarify our strategies by product and region, and drastically review and implement them, including the reorganization and consolidation of our overseas subsidiaries.

Specifically, we will ensure that selection and concentration are firmly in place. For hydraulic breakers, we will focus our sales efforts on Europe and the US, where customers highly evaluate the functions and performance of our original structure. On the other hand, for tunnel drill jumbos, we will take aim at Southeast Asia, where there is expected infrastructure demand for tunnels and others. In addition, we will review the model composition of hydraulic crawler drills, focus on models with high superiority, and engage in intensive sales after the model selection.

In addition, in line with the establishment of priority regions, the current structure of 7 overseas subsidiaries will be reviewed, reorganized, and consolidated.

4. 2021・2022年度に目指す体質強化

2021年度、2022年度は、体質強化(特に、**ロックドリル部門における海外マーケティング力の強化・再構築**、**金属部門における委託製錬事業の抜本的な見直し**、**不動産事業における古河大阪ビルの将来構想の具現化等の重点課題**)を強かに推進し、**当社グループ業績の早期回復に注力する期間と位置づけ**ます。

■ロックドリル部門における海外マーケティング力の強化・再構築

・LCS(ライフサイクルサポート)推進による油圧クローラドリルビジネス強化

稼働情報を捕捉する稼働サポートシステムの活用推進により、油圧クローラドリルの更新需要予測の精度向上を図り、**新車・部品販売を強化**する。



・海外向けドリルジャンボの新たな商流の開拓

海外案件ルート強化を図るため、海外ゼネコン等との関係を強化する。



**海外だけでなく、国内でもマーケティング経営をこれまで以上に強かに推進し、
中期経営方針2022の事業戦略を実行、見直しも行う。**

Next, we will strengthen our hydraulic crawler drill business by promoting lifecycle support approaches. By promoting the use of the ICT-based operation support system, which is attached to hydraulic crawler drills and catches information on operation, we will improve the accuracy of predicting replacement demand for hydraulic crawler drills and strengthen sales of new vehicles and components.

We will also shift from a wait-and-see sales stance to an offensive sales stance through proactive approaches, such as preventive maintenance, predictive maintenance, and implementation of preventive maintenance, and we will instruct our dealers to promote this approach.

We will also promote the development of new commercial channels for overseas sales of drill jumbos. In addition to developing our own channels, we will strengthen our relationships with overseas general contractors and others to enhance our overseas project channels.

In the Rock Drill Machinery segment, we will promote marketing management more strongly than ever, not only overseas but also in Japan, and implement the business strategies of the Medium-Term Business Policy 2022. We will also review the strategies as appropriate.

4. 2021・2022年度に目指す体質強化

2021年度、2022年度は、体質強化(特に、ロックドリル部門における海外マーケティング力の強化・再構築、**金属部門における委託製錬事業の抜本的な見直し、不動産事業における古河大阪ビルの将来構想の具現化**等の重点課題)を強力に推進し、当社グループ業績の早期回復に注力する期間と位置づけます。

■ 金属部門における委託製錬事業の抜本的な見直し

委託製錬の事業性は厳しいと認識し、
電気銅の生産数量の削減取組みを継続する。

2017年度 約88,000トン/年
→2020年度 約74,000トン/年
→2022年度 少なくとも70,000トン/年程度までの削減には目処



小名浜製錬

日比共同製錬

金属部門は祖業ではあるがそれにとらわれず、今後もさらなる見直しの取組みを継続していく。

■ 不動産事業における古河大阪ビルの将来構想の具現化

古河大阪ビル(大阪市北区堂島浜2丁目)は2019年12月で閉館、現在は解体工事中。
将来構想について引き続き検討していく。

2021年度からの2年間で体質強化にあて、
当社グループ業績の早期回復に注力する。



In the Metals segment, the key issue is a fundamental review of the contracted smelting business. We will continue to reduce the production volume of electrolytic copper as we recognize that the business feasibility of contracted smelting is severe due to the sharp fluctuation of earnings affected by copper prices and purchasing conditions for copper concentrate. In FY2022, we plan to reduce the output to at least 70,000 tons per year.

Although the Metals Segment is the Company's original business, we will not be bound by it and will continue to make further efforts to review it.

The key issue in the Real Estate business is to realize a future concept of the Furukawa Osaka Building. The Furukawa Osaka Building was closed in December 2019, and demolition work is currently underway. We will continue to study the future plans for this building.

We have positioned the 2 years from FY2021 as a period to focus on the early recovery of the Group's business performance by strengthening our business structure as I have explained.

5. カーボンニュートラルについて

「カーボンニュートラル」については、当社グループとしての達成はもとより、「マーケティング経営」実践の好機ととらえ、二酸化炭素をはじめとする温室効果ガスの排出量削減効果の高い製品・技術・サービスなどを提供することで、脱炭素社会の実現に貢献していきます。

■当社グループのCO2排出量について

事業活動によるCO2排出量は約22,000トン/年

機械工場や素材工場を有していますが、温室効果ガスを発生させるエネルギー投入量は少なく、CO2排出量の絶対量も少ないのが特徴。
(非鉄製錬会社と比べ圧倒的に少ない)

⇔当社保有山林におけるCO2吸収量は約8,000トン/年

各工場における設備導入や生産工程の効率化など、エネルギー使用量の節減等により、事業活動でのCO2排出量を削減するとともに、山林による吸収量の更なる増大を含め、将来的にカーボンニュートラルを達成していく。



■温室効果ガスの排出量削減効果の高い製品・技術・サービスなどを提供することで、脱炭素社会の実現に貢献

例1: ベルトコンベヤ (産業機械部門)

→ダンプトラックに代わる土砂搬送方法としてベルトコンベヤを採用することで、トンネル掘削、調節池造成、ダムの堆積物除去等の工事でCO2排出削減に貢献。

例2: 油圧クローラドリル (ロックドリル部門)

→油圧ドリフタの高出力化と制御システムの高機能化により、削孔速度が増すことで油圧クローラドリルの稼働時間の短縮を実現。使用顧客のCO2排出量削減に貢献。

※中型機では、排ガス二次規制(～2006年)と比べ、排ガス四次規制(現在)でCO2削減率35%を実現、さらに現計画において45%削減を目指す。



Our group aims for realizing carbon neutrality toward a decarbonized society and takes this initiative as an opportunity to practice marketing management. We will contribute to the realization of the carbon-free society by providing products, technologies, and services that are highly effective in reducing carbon dioxide and other greenhouse gas emissions.

First of all, with regard to the Group's carbon dioxide emissions, although we have machinery and materials plants, the amount of energy input that generates greenhouse gases is small, and the absolute amount of CO2 emissions is also small, with annual emissions of about 22,000 tons. This is an overwhelmingly low amount in comparison with non-ferrous metals smelters in the non-ferrous sector.

On the other hand, our company absorbs about 8,000 tons of carbon dioxide per year from the forests we own in Japan. We will continue to reduce CO2 emissions from our business activities by reducing energy consumption through the introduction of new equipment and more efficient production processes at each of our plants, and we hope to achieve carbon neutrality by further increasing the absorption amount of CO2 by our forests.

In addition, in order to realize a decarbonized society, we will contribute to the carbon neutrality of our customers by providing products, technologies, and services that are highly effective in reducing greenhouse gas emissions.

I would like to introduce 2 examples. Belt conveyors in the Industrial Machinery segment have a track record of being adopted as a sediment transportation method instead of dump trucks. From the perspective of decarbonization, we believe that the use of belt conveyors in tunnel excavation, construction of control reservoirs, and removal of sediment from dams will contribute to the reduction of CO2 emissions.

Meanwhile, hydraulic crawler drills in the Rock Drill Machinery segment can help reduce CO2 emissions from customers using them because they shorten the operating time due to the increased drilling speed achieved by the higher output of hydraulic drifters and the advanced functions of the control system. We have already achieved a 35% reduction in CO2 emissions for medium-sized machines under the current Tier 4 exhaust gas emission regulations compared to the Tier 2 regulations ended 2006, and we are aiming for a 45% reduction under our current plan.

That is all the explanation for today.

As a supplementary material, we have attached our Medium-Term Management Policy 2022, which was announced last year, and we would appreciate it if you could also review it.

My term as President is now 8 years. As announced on April 28, Director Minoru Nakatogawa has been appointed as the new President to be elected June 29. I will entrust the remaining half of our Vision for 2025 to the next leader and work together to promote the reforms.

As Chairman, I will naturally support the new President, and I will also focus on each and every issue that needs to be solved to realize our Vision for 2025.

I would like to ask our shareholders and investors for their continued support of the ever-changing FURUKAWA.

[END]
