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May 12, 2022

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5715  
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Scheduled date of annual general meeting of shareholders: June 29, 2022  
 Scheduled date to commence dividend payments: June 30, 2022  
 Scheduled date to file annual securities report: June 29, 2022  
 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, 2022 (from April 1, 2021 to March 31, 2022)

#### (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, 2022	199,097	24.7	7,734	38.3	8,996	32.8	6,477	(13.3)
March 31, 2021	159,702	(3.3)	5,592	(35.7)	6,773	(16.7)	7,468	68.5

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥ 8,021 million [(56.7)%]  
 For the fiscal year ended March 31, 2021: ¥ 18,543 million [-%]

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, 2022	165.87	–	6.9	4.0	3.9
March 31, 2021	190.73	–	8.9	3.2	3.5

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

For the fiscal year ended March 31, 2022: ¥ 370 million

For the fiscal year ended March 31, 2021: ¥ 355 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, 2022	229,727	100,075	42.3	2,505.01
March 31, 2021	218,275	94,364	42.0	2,348.53

Reference: Equity

As of March 31, 2022: ¥ 97,253 million

As of March 31, 2021: ¥ 91,770 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, 2022	8,768	(5,857)	(6,568)	14,468
March 31, 2021	6,042	2,245	(3,123)	17,748

## 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, 2021	–	0.00	–	50.00	50.00	1,953	26.2	2.3
March 31, 2022	–	0.00	–	50.00	50.00	1,941	30.1	2.0
March 31, 2023 (Forecast)	–	0.00	–	50.00	50.00		41.3	

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2022	108,400	10.8	2,700	(22.5)	2,800	(31.5)	2,000	(13.5)	51.52
Fiscal year ending March 31, 2023	209,500	5.2	7,000	(9.5)	6,900	(23.3)	4,700	(27.4)	121.06

\* 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: Yes
- (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, 2022	40,445,568 shares
As of March 31, 2021	40,445,568 shares

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

As of March 31, 2022	1,621,936 shares
As of March 31, 2021	1,369,919 shares

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

Fiscal year ended March 31, 2022	39,054,524 shares
Fiscal year ended March 31, 2021	39,157,784 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	7,663	(9.4)	3,106	(26.8)	3,659	(23.2)	2,951	(59.9)
March 31, 2021	8,456	(15.3)	4,243	(20.9)	4,763	(13.0)	7,361	60.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	75.58	—
March 31, 2021	187.99	—

**(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, 2022	148,144	64,968	43.9	1,673.42
March 31, 2021	150,924	63,490	42.1	1,624.81

Reference: Equity

As of March 31, 2022: ¥ 64,968 million

As of March 31, 2021: ¥ 63,490 million

**2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)**

(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, 2022	4,900	(4.4)	2,500	(11.0)	2,400	(24.8)	2,300	(10.5)	59.24
Fiscal year ending March 31, 2023	7,400	(3.4)	2,600	(16.3)	2,400	(34.4)	2,000	(32.2)	51.52

\* 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 in order to prevent the spread of the novel coronavirus disease (COVID-19). Furthermore, the Company plans to post supplementary materials and a video of the results briefing on its website.

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## 1. Overview of Operating Results and Others

### (1) Analysis of operating results

#### (i) Overview of operating results for the fiscal year under review

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	159,702	199,097	39,394
Operating profit	5,592	7,734	2,142
Ordinary profit	6,773	8,996	2,223
Profit attributable to owners of parent	7,468	6,477	(990)

In the Japanese economy in the fiscal year under review (April 1, 2021 to March 31, 2022), the increase in exports based on the recovery of foreign economies contributed to the improvement in corporate earnings and capital investment. There was also a recovery in individual spending by the end of the year due to the development of COVID-19 vaccination and the nationwide cancellation of the state of emergency and priority preventative measures that was issued due to the rapid spread of COVID-19 in late September. On the other hand, corporate production activities were impacted by disorder in the global supply chain, including a shortage of semiconductors and major parts, a price increase for raw materials and energy, and increased freight costs due to the incapacity of container transport, for example. From the start of the new year, consumption activities and corporate production activities were again limited by the issuance of priority preventative measures due to the sudden increase in those infected by the highly-contagious Omicron variant and those in close contact with them, and there was an increasing sense of uncertainty about the future of the domestic economy due to the Russian invasion of Ukraine.

Amid this economic environment, in its consolidated financial results for the fiscal year under review, the Company group (the "Group") recorded net sales of ¥199,097 million (up ¥39,394 million year on year) and operating profit of ¥7,734 million (up ¥2,142 million year on year). While revenue increased and profit decreased for our Industrial Machinery and UNIC Machinery segments, revenue and profit increased for our Rock Drill Machinery segment that reported an operating loss in the previous fiscal year, which meant an increase in revenue and profit for the Machinery Business as a whole. In the Materials business, our Metals, Electronics and Chemicals segments reported an increase in revenue and profit. Net sales and operating profit in our Real Estate segment were nearly flat compared to the previous fiscal. Ordinary profit was ¥8,996 million (up ¥2,223 million year on year). Under extraordinary income, we recorded gains on bargain purchases of ¥833 million due to stock acquisition in Yamaishi Metal Co., Ltd., which became a subsidiary on October 1, 2021, and under extraordinary losses, we recorded ¥668 million for expenses corresponding to the progress of demolition work on the Furukawa Osaka Building. As a result, profit attributable to owners of parent was ¥6,477 million (down ¥990 million year on year). In the previous fiscal year, we recorded ¥4,078 million in gain on sale of investment securities under extraordinary income.

#### (ii) Operating performance by segment

##### Industrial Machinery

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	16,682	17,723	1,041
Operating profit	2,113	1,396	(717)

Industrial Machinery segment net sales were ¥17,723 million (up ¥1,041 million year on year), and operating profit was ¥1,396 million (down ¥717 million year on year). As for orders received in the fiscal year under review, we received orders related to the construction of the upper part of the No. 3 elevated bridge on the Tokai-Kanjo Expressway Daian No. 2 (Inabe, Mie Prefecture), the replacement construction of a pedestrian bridge in front of Kameido Station (Koto, Tokyo), and for a SICON® enclosed hanging conveyor for construction of the Shin-Kobotoke Tunnel on the Chuo

Expressway. As a result, orders received were almost flat in comparison to the previous fiscal year, but the order balance at fiscal year-end was lower than the previous fiscal year-end due to a decrease in orders received in materials-related machinery and project orders. Regarding the cargo handling equipment for the international bulk terminal at the Port of Onahama and a SICON® enclosed hanging conveyor for the construction of the No. 1 Tokyo Metropolitan Area Tunnel of the Chuo Shinkansen (Kita-Shinagawa Construction Zone, Tokyo), we booked sales from large-scale projects and bridges and other constructor projects, leading to an increase in revenue. We recorded a decrease in profit in materials-related machinery due to the decrease in parts and overhaul.

### Rock Drill Machinery

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	24,149	30,910	6,761
Operating profit	(1,324)	1,117	2,442

Net sales in the Rock Drill Machinery segment were ¥30,910 million (up ¥6,761 million year on year), and operating profit was ¥1,117 million (operating loss of ¥1,324 million in the previous fiscal year). In the previous fiscal year, a loss was recorded due to the impact of the COVID-19 pandemic, but for the fiscal year under review, there was an increase in sales both domestically and internationally, leading to a profit being recorded due to the major improvement in operating profit. In particular, there was a sales increase effect from other countries due to the weak yen. There was an increase in sales for all products, and, based on the lively demand for construction machinery in North America, hydraulic crawler drills increased in sales in North America, the Middle East, Africa and Southeast Asia, while hydraulic breakers increased in Europe, and ancillary parts increased in North America.

### UNIC Machinery

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	27,804	28,305	500
Operating profit	3,180	2,165	(1,014)

UNIC segment net sales were ¥28,305 million (up ¥500 million year on year), and operating profit was ¥2,165 million (down ¥1,014 million year on year). Domestically, primarily until the second quarter, the recovery of a willingness to invest led to an increase in sales to wide-area rental companies, which held investment back in the previous fiscal year, and wholesale, but after the second quarter, there was a decrease mainly due to truck production delays caused by overseas parts supply difficulties and delays in crane installations due to the decrease in production. Also, there was a decrease in the cost price ratio and a decrease in profit caused by the rise in the cost of raw materials, such as steel. Internationally, in China, UNIC cranes exports increased and sales increased, but in North America, due to the shortage of materials for building construction, market recovery stagnated, leading to a decrease in exports of mini crawler cranes and a decrease in sales, which, together with the increased price of ocean freight, meant that operating profit was nearly flat compared to the previous fiscal year.

### Machinery Business Total

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	68,635	76,938	8,303
Operating profit	3,968	4,679	710

Total net sales of the Machinery business—consisting of the Industrial Machinery, Rock Drill Machinery, and UNIC Machinery segments—amounted to ¥76,938 million (up ¥8,303 million year on year), and operating profit was ¥4,679 million (up ¥710 million year on year).

**Metals**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	76,094	102,995	26,900
Operating profit	499	940	441

Net sales in the Metals segment were ¥102,995 million (up ¥26,900 million year on year), and operating profit was ¥940 million (up ¥441 million year on year). The overseas market price of electrolytic copper started at US\$8,768/ton before making steady progress in the latter half to around US\$9,000/ton due to the economic recovery of various European countries and the expected demand for electric automobiles and renewable energy. However, there was a further increase due to the Russian invasion of Ukraine, and the price reached an all-time high of US\$10,730/ton on March 7, and by the end of the period under review the price was US\$10,337/ton. The domestic price of electrolytic copper started the year at ¥1.02 million and ended at ¥1.33 million. The Company's sales volume of electrolytic copper declined to 77,402 tons (down 4,596 tons year on year) due to the gradual reduction of production volume following a review of the contracted smelting ratio, but segment sales increased thanks to higher overseas electrolytic copper market prices. There was also an increase in profit due to the greater price margin because of the improvement in contracted smelting income as a result of decreased copper production output and the rise in the price of copper.

**Electronics**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	5,741	7,271	1,530
Operating profit	161	666	504

Net sales in the Electronics segment were ¥7,271 million (up ¥1,530 million year on year), and operating profit was ¥666 million (up ¥504 million year on year). There was an increase in sales of crystal products due to the higher demand for their use in discrete semiconductors. There was an increase in sales of coils due to higher demand for in-vehicle use, although there was also an impact from the decrease in production of automobiles from the second quarter resulting from the semiconductor shortage. Both domestically and internationally, sales of high-purity metallic arsenic were boosted by stable demand for compound semiconductors, a major application for that material, while demand for aluminum nitride for use in thermal management components and semiconductor manufacturing equipment components increased.

**Chemicals**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	6,367	7,896	1,529
Operating profit	380	743	363

Net sales in the Chemicals segment were ¥7,896 million (up ¥1,529 million year on year), and operating profit was ¥743 million (up ¥363 million year on year). Sales of cupric oxide increased due to higher unit prices, mainly reflecting higher copper prices and strong demand for the use of that material in circuit boards. Sales of cuprous oxide increased due to the higher unit price reflecting higher copper prices, although there was a decrease in the demand for ship repair, because the demand for ship bottom paints, a major application for the product, was impacted by disorder in ship operation due to the COVID-19 pandemic.



**Materials Business Total**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	88,203	118,163	29,960
Operating profit	1,040	2,349	1,308

The Materials business—consisting of the Metals, Electronics, and Chemicals segments—posted total net sales of ¥118,163 million (up ¥29,960 million year on year) and operating profit of ¥2,349 million (up ¥1,308 million year on year).

**Real Estate**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	2,107	2,115	7
Operating profit	736	743	6

Net sales in the Real Estate segment were ¥2,115 million (up ¥7 million year on year), and operating profit was ¥743 million (up ¥6 million year on year). The commercial facilities of the Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, was temporarily closed due to the emergency measures in Tokyo following the government's third declaration of state of emergency issued in April. It reopened with limited operating hours in May, and while the fourth declaration of state of emergency that followed the priority preventative measures in July was rescinded at the end of September, another pre-emergency status was issued at the start of the new year. In this way, throughout the entire year, there was an impact from the COVID-19 pandemic. For these reasons, partial exemptions for rent payments were given to commercial tenants, which caused a decrease in profit. On the other hand, overall rental revenues remained mostly on a par with the previous fiscal year due to the expansion of business office tenants.

**Others**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Net sales	755	1,879	1,123
Operating profit	(82)	17	99

We run a metal powders business and a transportation business. Net sales were ¥1,879 million (up ¥1,123 million year on year), and operating profit was ¥17 million (operating loss of ¥82 million in the previous fiscal year).

**(iii) Outlook for the next fiscal year**

In our forecasts for the fiscal year ending March 31, 2023, we project net sales to increase ¥10,402 million to ¥209,500 million and operating profit to increase ¥734 million to ¥7,000 million compared to the fiscal year ended March 31, 2022.

The results forecasts by segment are as follows.

In the Industrial Machinery segment, we forecast increased profit due to increased revenue from pumps, sewage plant extended transfer facilities, pump facilities such as waste processing, and bridges.

In the Rock Drill Machinery segment, despite the forecast of an increased yield effect from product price rises and the weak yen, there will be a reduction in sales related to tunnel drill jumbos primarily due to the delays in the construction of the Linear Chuo Shinkansen. Overall, we forecast a decrease in net sales but an increase in operating profit.

As for UNIC Machinery, while it is projected that there will be a quick recovery from the disorder caused by truck production delays and reductions, which is impacting crane installation, toward the latter half of the year, and that there will be a recovery of the North American market, which was delayed by the shortage of construction materials, there will be a decrease in sales due to the Russian invasion of Ukraine and an impact from the increasing price of raw materials such as steel. Overall, despite an increase in sales, we are forecasting that operating profit will be almost on a par with the period under review.

In the Metals segment, the copper price for the year was set at US\$9,400/ton and the exchange rate was set at ¥120/US\$. In comparison with the fiscal year under review, mainly due to the increase in the price of metal and the weak yen, while an increase in sales is forecast, operating profit is projected to decrease mainly due to the elimination of increased profits caused by price margin profits.

In the Electronics segment, while the continuation of the lively demand for high-purity metallic arsenic and aluminum nitride is forecast, profits from crystal products are projected to decrease due to the impact of the rise in electricity costs and raw material prices. Overall, net sales are forecast to be on par with the fiscal year under review, while operating profit is forecast to decrease.

In the Chemicals segment, the continuation of lively demand for cuprous oxide for use in substrates is forecast, and, in comparison to the fiscal year under review, increased sales and profits are forecast due to the increase effect from the rise in the price of copper. Overall, with regard to net sales, while an increase in sales is projected, a decrease in operating profit is forecast.

In the Real Estate segment, in the Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, a decrease in sales is forecast to the reduction in business office tenants, and profit is projected to decrease.

As a result of the above, ordinary profit is expected to decrease ¥2,096 million to ¥6,900 million compared to the fiscal year under review in which foreign exchange gains were recorded, and profit attributable to owners of parent is also expected to decline ¥1,777 million to ¥4,700 million.

## (2) Analysis of financial position

### (i) Assets, liabilities and net assets

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Total assets	218,275	229,727	11,452
Liabilities	123,910	129,652	5,741
(Interest-bearing debt)	69,683	65,671	(4,011)
Net assets	94,364	100,075	5,710
Equity-to-asset ratio (%)	42.0	42.3	0.3

Total assets as of the end of the fiscal year under review were ¥229,727 million, an increase of ¥11,452 million compared to the end of the previous fiscal year. The main reasons for the increase were a reduction in cash and deposits, increases in inventory such as raw materials and stock, buildings, structures, and land, and an increase in investment securities due to rising prices of listed shares. Interest-bearing debt (borrowings) was ¥65,671 million, a decrease of ¥4,011 million compared to the end of the previous fiscal year, and total liabilities were ¥129,652 million, an increase of ¥5,741 million compared to the end of the previous fiscal year due to an increase in notes and accounts payable - trade, electronically recorded obligations - operating, and accounts payable - other. As a fund-raising measure based on the impact of the COVID-19 pandemic, ¥10,000 million in working capital procured in May 2020 was settled following a repayment of the balance of ¥2,000 million at the end of the previous fiscal year. Net assets were ¥100,075 million, an increase of ¥5,710 million compared to the end of the previous fiscal year, and equity-to-asset ratio rose 0.3 percentage points to 42.3%.

## (ii) Cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Cash flows from operating activities	6,042	8,768	2,726
Cash flows from investing activities	2,245	(5,857)	(8,102)
Cash flows from financing activities	(3,123)	(6,568)	(3,445)
Cash and cash equivalents	17,748	14,468	(3,279)

In the fiscal year under review, net cash provided by operating activities amounted to ¥8,768 million from the recording of profit before income taxes and other factors. Net cash flows from investing activities were ¥5,857 million primarily due to expenditure for the acquisition of tangible fixed assets, while net cash flows from financing activities were ¥6,568 million primarily due to expenditure for loan repayments and dividend payments. As a result, cash and cash equivalents at the end of the fiscal year under review totaled ¥14,468 million, down ¥3,279 million compared to the end of the previous fiscal year.

## (iii) Trends in cash flow indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity-to-asset ratio (%)	36.3	36.0	42.0	42.3
Market value equity ratio (%)	25.6	19.8	23.9	21.8
Debt repayment ratio (Years)	6.2	8.4	11.5	7.5
Interest coverage ratio (Times)	20.5	16.4	13.1	20.4

Notes: Equity-to-asset ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Debt repayment ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payment

- 1) All indicators are calculated using consolidated-based financial figures.
- 2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).
- 3) Operating cash flow represents cash flows from operating activities in the consolidated statement of cash flows.
- 4) Interest-bearing debt represents the liabilities (borrowings) in the consolidated balance sheet on which interest is paid.
- 5) Interest payment represents interest paid in the consolidated statement of cash flows.

### (3) Basic policy on distribution of profits and dividends for the fiscal year ended March 31, 2022 and the fiscal year ending March 31, 2023

The Company's basic policy is to strive for improvement in the return of profit to its shareholders through distributing profits, while giving comprehensive consideration to future business development and other various factors, keeping in mind the need to make capital investment for ensuring revenue and the need for internal funds for research and development, etc. We strive to return profits to shareholders in a stable and ongoing manner. In principle, providing there are no special circumstances concerning profit and loss, we aim for annual dividends of ¥50.00 per share and a consolidated payout ratio of 30% or higher, based on consolidated earnings.

For the fiscal year ended March 31, 2022, we plan to pay year-end dividends of ¥50.00 per share.

For the fiscal year ending March 31, 2023, we forecast no dividends in the second quarter and year-end dividends of ¥50.00 per share.

## **2. Basic Policy Regarding Selection of Accounting Standards**

For the time being, the Group intends to use Japanese Generally Accepted Accounting Principles (Japanese GAAP) to prepare its consolidated financial statements in order to facilitate comparison with other financial periods and other companies.

As for the application of International Financial Accounting Standards (IFRS), the Group plans to appropriately respond after considering the circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	17,748	14,469
Notes and accounts receivable - trade	28,030	–
Notes and accounts receivable - trade, and contract assets	–	28,344
Merchandise and finished goods	15,990	17,205
Work in process	9,839	10,813
Raw materials and supplies	11,589	20,818
Other	5,568	4,635
Allowance for doubtful accounts	(141)	(48)
Total current assets	88,625	96,238
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,540	24,051
Machinery, equipment and vehicles, net	9,042	8,789
Land	53,436	54,170
Leased assets, net	537	429
Construction in progress	1,271	517
Other, net	2,988	3,018
Total property, plant and equipment	89,817	90,976
Intangible assets	341	376
Investments and other assets		
Investment securities	34,449	35,860
Long-term loans receivable	4,086	4,495
Deferred tax assets	–	351
Retirement benefit asset	194	403
Other	1,334	1,746
Allowance for doubtful accounts	(573)	(720)
Total investments and other assets	39,490	42,136
Total non-current assets	129,649	133,489
Total assets	218,275	229,727

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,638	15,916
Electronically recorded obligations - operating	6,863	9,381
Short-term borrowings	10,575	13,504
Lease liabilities	219	188
Accounts payable - other	10,511	13,310
Income taxes payable	1,054	1,491
Provision for bonuses	110	138
Provision for environmental measures	7	3
Other	6,859	5,924
Total current liabilities	47,839	59,859
Non-current liabilities		
Long-term borrowings	59,107	52,166
Lease liabilities	393	302
Deferred tax liabilities	9,761	10,501
Deferred tax liabilities for land revaluation	1,402	1,399
Retirement benefit liability	2,709	2,543
Provision for environmental measures	86	58
Other provisions	16	16
Asset retirement obligations	234	239
Other	2,360	2,565
Total non-current liabilities	76,071	69,793
Total liabilities	123,910	129,652
<b>Net assets</b>		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	50,025	54,557
Treasury shares	(1,862)	(2,197)
Total shareholders' equity	76,373	80,570
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,303	11,832
Deferred gains or losses on hedges	351	(292)
Revaluation reserve for land	2,609	2,602
Foreign currency translation adjustment	(826)	35
Remeasurements of defined benefit plans	1,959	2,506
Total accumulated other comprehensive income	15,396	16,683
Non-controlling interests	2,594	2,821
Total net assets	94,364	100,075
Total liabilities and net assets	218,275	229,727

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	159,702	199,097
Cost of sales	137,508	172,995
Gross profit	22,194	26,101
Selling, general and administrative expenses		
Freight and incidental costs	2,114	2,465
Salaries, allowances and bonuses	7,309	7,557
Provision for bonuses	35	108
Provision for retirement benefits	508	629
Provision of allowance for doubtful accounts	4	16
Research and development expenses	732	1,053
Other	5,896	6,535
Total selling, general and administrative expenses	16,601	18,366
Operating profit	5,592	7,734
Non-operating income		
Dividend income	749	752
Share of profit of entities accounted for using equity method	355	370
Foreign exchange gains	702	677
Gain on sales of waste goods	65	497
Other	876	746
Total non-operating income	2,749	3,044
Non-operating expenses		
Interest expenses	456	427
Administrative expenses of inactive mountain	769	812
Other	342	543
Total non-operating expenses	1,568	1,782
Ordinary profit	6,773	8,996
Extraordinary income		
Gain on bargain purchase	-	833
Other	4,105	280
Total extraordinary income	4,105	1,113
Extraordinary losses		
Loss on sale and retirement of non-current assets	151	157
Demolition expenses of a rental building	730	668
Other	89	146
Total extraordinary losses	971	972
Profit before income taxes	9,907	9,137
Income taxes - current	2,172	2,715
Income taxes - deferred	65	(264)
Total income taxes	2,237	2,450
Profit	7,670	6,686
Profit attributable to non-controlling interests	201	208
Profit attributable to owners of parent	7,468	6,477

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	7,670	6,686
Other comprehensive income		
Valuation difference on available-for-sale securities	5,941	527
Deferred gains or losses on hedges	641	(483)
Foreign currency translation adjustment	(434)	723
Remeasurements of defined benefit plans, net of tax	4,756	547
Share of other comprehensive income of entities accounted for using equity method	(31)	20
Total other comprehensive income	10,873	1,335
Comprehensive income	18,543	8,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,350	7,771
Comprehensive income attributable to non-controlling interests	193	250



**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	–	44,507	(1,697)	71,018
Changes during period					
Dividends of surplus			(1,960)		(1,960)
Profit attributable to owners of parent			7,468		7,468
Purchase of treasury shares				(165)	(165)
Reversal of revaluation reserve for land			10		10
Merger of consolidated subsidiaries		2			2
Net changes in items other than shareholders' equity					
Total changes during period	–	2	5,518	(165)	5,355
Balance at end of period	28,208	2	50,025	(1,862)	76,373

	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	5,363	(322)	2,620	(339)	(2,797)	4,525	2,423	77,966
Changes during period								
Dividends of surplus								(1,960)
Profit attributable to owners of parent								7,468
Purchase of treasury shares								(165)
Reversal of revaluation reserve for land								10
Merger of consolidated subsidiaries								2
Net changes in items other than shareholders' equity	5,939	673	(10)	(487)	4,756	10,871	171	11,042
Total changes during period	5,939	673	(10)	(487)	4,756	10,871	171	16,397
Balance at end of period	11,303	351	2,609	(826)	1,959	15,396	2,594	94,364

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	50,025	(1,862)	76,373
Changes during period					
Dividends of surplus			(1,953)		(1,953)
Profit attributable to owners of parent			6,477		6,477
Purchase of treasury shares				(334)	(334)
Reversal of revaluation reserve for land			7		7
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,531	(334)	4,196
Balance at end of period	28,208	2	54,557	(2,197)	80,570

	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	11,303	351	2,609	(826)	1,959	15,396	2,594	94,364
Changes during period								
Dividends of surplus								(1,953)
Profit attributable to owners of parent								6,477
Purchase of treasury shares								(334)
Reversal of revaluation reserve for land								7
Net changes in items other than shareholders' equity	528	(644)	(7)	862	547	1,286	227	1,513
Total changes during period	528	(644)	(7)	862	547	1,286	227	5,710
Balance at end of period	11,832	(292)	2,602	35	2,506	16,683	2,821	100,075

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,907	9,137
Depreciation	3,879	4,003
Share of loss (profit) of entities accounted for using equity method	(355)	(370)
Gain on bargain purchase	–	(833)
Increase (decrease) in retirement benefit liability	184	433
Interest and dividend income	(929)	(878)
Interest expenses	456	427
Foreign exchange losses (gains)	(432)	(421)
Decrease (increase) in trade receivables	2,550	345
Decrease (increase) in inventories	645	(10,328)
Increase (decrease) in trade payables	(1,259)	5,955
Increase (decrease) in accounts payable - other	(2,560)	3,700
Other, net	(5,386)	(467)
Subtotal	6,699	10,703
Interest and dividends received	1,004	885
Interest paid	(462)	(429)
Income taxes paid	(1,863)	(2,484)
Other, net	664	94
Net cash provided by (used in) operating activities	6,042	8,768
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,403)	(5,507)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(352)
Other, net	5,648	3
Net cash provided by (used in) investing activities	2,245	(5,857)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	10,330	15,957
Repayments of short-term borrowings	(10,465)	(16,062)
Proceeds from long-term borrowings	10,426	220
Repayments of long-term borrowings	(11,034)	(4,140)
Repayments of finance lease liabilities	(232)	(232)
Purchase of treasury shares	(165)	(334)
Dividends paid	(1,961)	(1,953)
Other, net	(22)	(22)
Net cash provided by (used in) financing activities	(3,123)	(6,568)
Effect of exchange rate change on cash and cash equivalents	(63)	377
Net increase (decrease) in cash and cash equivalents	5,101	(3,279)
Cash and cash equivalents at beginning of period	12,646	17,748
Cash and cash equivalents at end of period	17,748	14,468

## **(5) Notes to consolidated financial statements**

### **Notes on going concern assumptions**

Not applicable.

### **Changes in accounting policies**

Application of accounting standard for revenue recognition, etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance; provided, however, that the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition.

The effect of this change on the consolidated financial statements for the fiscal year under review was immaterial.

Due to the application of the Accounting Standard for Revenue Recognition, “Notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” under current assets from the consolidated balance sheet as of the end of the fiscal year under review. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

Application of accounting standard for fair value measurement, etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019).

As a result, the Company changed the valuation criteria for other securities with readily determinable fair value from the fair value method based on average market price, etc. at one month before the accounting period closing date to the fair value method based on market price, etc. at the accounting period closing date.

## Segment information

[Segment information]

### 1. Overview of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Group is mainly engaged in the manufacturing and sales of machinery, copper smelting on consignment and sales, and the manufacturing and sales of electronics and chemicals in Japan and overseas.

In the Group, under the operating holding company structure, each core operating company establishes comprehensive strategies and conducts businesses activities in Japan and overseas for the products it handles, and the Company manages and monitors each core operating company.

As such, the Group is composed mainly of segments structured around products based on its core operating companies. There are seven reporting segments: “Industrial Machinery,” “Rock Drill Machinery,” “UNIC Machinery,” “Metals,” “Electronics,” “Chemicals,” and “Real Estate.”

The Industrial Machinery segment manufactures, sells, and services pumps, crushers, grinding mills, classifiers, separators, conveyor belts, environmental preservation machines, recycling plants, steel structures, bridges and other industrial machinery, and concludes various construction contracts. The Rock Drill Machinery segment manufactures and sells rock drills such as hydraulic breakers, hydraulic crushers, blast hole drills (pneumatic and hydraulic crawler drills, down-the-hole-drills, attachment drills, etc.) and tunnel and mining drill jumbos (tunnel drill jumbos, concrete sprayers, drill jumbos used in mines, etc.). The UNIC Machinery segment manufactures and sells UNIC cranes, mini crawler cranes, ocean cranes and UNIC carriers, etc. After purchasing crude ore from overseas, the Metals segment manufactures and sells copper, gold, silver, and sulfuric acid which are smelted on consignment by joint smelting companies. This segment also digs and sells limestone. The Electronics segment manufactures and sells high-purity metallic arsenic, crystal products, cores and coils, aluminum nitride and optical components. The Chemicals segment manufactures and sells sulfuric acid, polyferric sulfate solutions, sulfuric acid bands, cuprous oxide, and cupric oxide, and sells titanium oxide. The Real Estate segment is engaged in the transaction and leasing of real estate.

### 2. Method for calculating amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting method for the operating segments that are reportable is the same as described in “Significant Matters as Basis for Preparing Consolidated Financial Statements” (in Japanese only).

The profit stated for the reportable segments is a figure based on operating profit. Intersegment revenue or transfers are based on actual market price.

(Matters relating to changes in the method of calculating the increase in property, plant and equipment and intangible assets)

From the fiscal year under review, in order to more accurately grasp the invested capital of each reportable segment, the method of calculating the increase in property, plant and equipment and intangible assets for each reportable segment has been reviewed.

Information regarding the increase in property, plant and equipment and intangible assets for each reportable segment in the previous fiscal year has been produced based on the amended calculation method.

3. Information relating to the amounts of net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	16,682	24,149	27,804	76,094	5,741	6,367
Intersegment net sales or transfers	3,058	25	120	219	0	55
Total	19,741	24,174	27,924	76,314	5,741	6,422
Segment profit (loss)	2,113	(1,324)	3,180	499	161	380
Segment assets	22,463	34,053	30,125	30,521	6,960	16,664
Other items						
Depreciation	356	888	1,036	180	282	241
Investments in entities accounted for using equity method	–	–	126	3,027	216	–
Increase in property, plant and equipment and intangible assets	1,253	437	946	346	324	156

	Reportable segment		Others (Note 1)	Total	Eliminations/corporate (Note 2)	Carrying amount (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	2,107	158,946	755	159,702	–	159,702
Intersegment net sales or transfers	13	3,493	1,574	5,068	(5,068)	–
Total	2,121	162,440	2,329	164,770	(5,068)	159,702
Segment profit (loss)	736	5,746	(82)	5,663	(71)	5,592
Segment assets	26,811	167,600	3,056	170,657	47,618	218,275
Other items						
Depreciation	432	3,418	86	3,504	76	3,581
Investments in entities accounted for using equity method	–	3,370	163	3,533	–	3,533
Increase in property, plant and equipment and intangible assets	2	3,467	184	3,651	492	4,144

- Notes: 1. The “Others” category refers to business segments not included in the reporting segments, and includes the transportation business and other businesses.
2. Eliminations/corporate are as follows:
- (1) Segment profit (loss) adjustment of ¥(71) million includes eliminations of intersegment transactions of ¥22 million and company-wide expenses not allocated to each reporting segment of ¥(93) million. Company-wide expenses are mainly expenses related to deserted metal mine assets and deserted coal mine assets that do not belong to the reporting segments.
  - (2) Segment assets adjustment is ¥47,618 million, composed mainly of surplus working capital (cash and deposits) and long-term investment funds (investment securities).
3. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income.

## Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	17,723	30,910	28,305	102,995	7,271	7,896
Intersegment net sales or transfers	2,867	2	100	228	0	55
Total	20,590	30,913	28,405	103,223	7,272	7,951
Segment profit (loss)	1,396	1,117	2,165	940	666	743
Segment assets	23,862	36,081	30,259	35,649	7,857	16,949
Other items						
Depreciation	466	901	1,116	179	298	237
Amortization of goodwill	–	–	7	–	–	–
Investments in entities accounted for using equity method	–	–	129	3,399	231	–
Increase in property, plant and equipment and intangible assets	1,703	247	718	325	265	105

	Reportable segment		Others (Note 1)	Total	Eliminations/corporate (Note 2)	Carrying amount (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	2,115	197,217	1,879	199,097	–	199,097
Intersegment net sales or transfers	13	3,268	1,623	4,891	(4,891)	–
Total	2,128	200,486	3,502	203,989	(4,891)	199,097
Segment profit (loss)	743	7,772	17	7,789	(54)	7,734
Segment assets	26,660	177,321	4,434	181,756	47,971	229,727
Other items						
Depreciation	419	3,619	92	3,712	47	3,759
Amortization of goodwill	–	7	–	7	–	7
Investments in entities accounted for using equity method	–	3,760	160	3,920	–	3,920
Increase in property, plant and equipment and intangible assets	595	3,961	45	4,006	772	4,778

- Notes: 1. The “Others” category refers to business segments not included in the reporting segments, and includes the metal powders business, transportation business and other businesses.
2. Eliminations/corporate are as follows:
- (1) Segment profit (loss) adjustment of ¥(54) million includes eliminations of intersegment transactions of ¥47 million and company-wide expenses not allocated to each reporting segment of ¥(102) million. Company-wide expenses are mainly expenses related to deserted metal mine assets and deserted coal mine assets that do not belong to the reporting segments.
  - (2) Segment assets adjustment is ¥47,971 million, composed mainly of surplus working capital (cash and deposits) and long-term investment funds (investment securities).
3. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	2,348.53	2,505.01
Basic earnings per share	190.73	165.87

Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.

2. The bases for calculating basic earnings per share are as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	7,468	6,477
Profit (loss) not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	7,468	6,477
Average number of outstanding common shares during the period (Thousands of shares)	39,157	39,054

**Material subsequent events**

(Partial termination of entrusted smelting agreements)

At the Board of Directors meeting on May 12, 2022, the Company made the decision to terminate the entrusted smelting agreements concluded between Group consolidated subsidiary Furukawa Metals & Resources Co., Ltd. and smelting entrusted party Onahama Smelting and Refining Co., Ltd. as of the end of March 2023.

## (1) Reason for termination of agreement

The Group operates an entrusted copper smelting business at Furukawa Metals & Resources Co., Ltd. A recent trend in the copper smelting business environment has been for copper concentrates treatment and refining charges from mining companies, our source of revenue, to be disadvantageous to the smelting company due to mainly booming copper concentrates purchasing demand from China causing instability in the supply and demand balance, and smelting costs have continued to exceed the treatment and refining charges.

Furukawa Metals & Resources Co., Ltd. has been working to reduce exports of unprofitable electrolytic copper and sulfuric acid as a response to the deficit structure of the entrusted smelting business under this business environment by incrementally reducing production. However, deeming it necessary to implement further radical action, the decision was made to terminate the entrusted smelting agreement with Onahama Smelting and Refining Co., Ltd., which is entrusted with approximately 34% of the annual production volume for copper (approximately 24,000 tons) of Furukawa Metals & Resources Co., Ltd.

## (2) Name of counterparty of agreement

Onahama Smelting and Refining Co., Ltd.

## (3) Termination date of entrusted smelting agreement:

March 31, 2023

## (4) Agreement details

Entrusted agreement from Furukawa Metals & Resources Co., Ltd. to Onahama Smelting and Refining Co., Ltd. for the smelting of copper ore, crude copper and scrap copper



(5) Material impacts on operating activities due to termination of the agreement

It will have no effect on the financial performance of the metals segment in the current fiscal year or the fiscal year ending March 31, 2023. As for the effect on the financial performance of the metals segment in the fiscal year ending March 31, 2024, under calculations based on the assumptions of a copper price of US\$9,400 per ton, and an exchange rate of ¥120/US\$, which are the conditions for fiscal 2023, the Company expects net sales will be reduced by approximately ¥40,000 million compared with ¥110,700 million forecasted for fiscal 2023 due to the decrease in copper production. However, by reducing unprofitable exports and improving profitability from entrusted operations, the Company expects operating profit to increase by approximately ¥400 million compared with the fiscal year ending March 31, 2023, forecast of ¥0 million.

**Assumptions**

		Fiscal year ended March 31, 2022	Year-on-year change
Copper price	Fiscal year ended March 31, 2022 (actual) \$/mt	9,691	2,812
	Fiscal year ending March 31, 2023 (forecast) \$/mt	9,400	(291)
Exchange rate	Fiscal year ended March 31, 2022 (actual) Yen/\$	112.4	6.3
	Fiscal year ending March 31, 2023 (forecast) Yen/\$	120.0	7.6

**Supplementary Material on Financial Results  
for the Fiscal Year Ended March 31, 2022**

May 12, 2022

Furukawa Co., Ltd.

## Net sales

(Yen amounts are rounded down to millions.)

	Fiscal year ended March 31, 2022	Year-on-year change
Machinery business	76,938	8,303
Industrial Machinery segment	17,723	1,041
Rock Drill Machinery segment	30,910	6,761
UNIC Machinery segment	28,305	500
Materials business	118,163	29,960
Metals segment	102,995	26,900
Electronics segment	7,271	1,530
Chemicals segment	7,896	1,529
Real Estate segment	2,115	7
Others segment	1,879	1,123
<b>Total</b>	<b>199,097</b>	<b>39,394</b>

Fiscal year ending March 31, 2023	
Forecast	Year-on-year change
78,600	1,661
20,200	2,476
29,400	(1,510)
29,000	694
126,000	7,836
110,700	7,704
7,300	28
8,000	103
2,000	(115)
2,900	1,020
209,500	10,402

## Operating profit

	Fiscal year ended March 31, 2022	Year-on-year change
Machinery business	4,679	710
Industrial Machinery segment	1,396	(717)
Rock Drill Machinery segment	1,117	2,442
UNIC Machinery segment	2,165	(1,014)
Materials business	2,349	1,308
Metals segment	940	441
Electronics segment	666	504
Chemicals segment	743	363
Real Estate segment	743	6
Others segment	17	99
(Subtotal)	7,789	2,125
Eliminations/corporate	(54)	16
<b>Total</b>	<b>7,734</b>	<b>2,142</b>

Fiscal year ending March 31, 2023	
Forecast	Year-on-year change
5,300	620
1,800	403
1,300	182
2,200	34
1,200	(1,149)
0	(940)
600	(66)
600	(143)
600	(143)
(20)	(37)
7,080	(709)
(80)	(25)
7,000	(734)

\* 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, 2022	Year-on-year change
Order backlog	¥9.3 billion	¥(0.4) billion

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

	Fiscal year ended March 31, 2022	Year-on-year change
Operating profit	¥0.94 billion	¥0.44 billion
Of which was due to price fluctuations	¥1.51 billion	¥0.00 billion
Copper	[¥1.18 billion]	[¥0.23 billion]
Gold	[¥0.27 billion]	[¥(0.18) billion]