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November 11, 2022

## Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5715  
 URL: <https://www.furukawakk.co.jp>  
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 Scheduled date to file quarterly securities report: November 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes

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

### 1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Six months 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	%
September 30, 2022	104,576	6.9	3,372	(3.2)	5,219	27.6	3,448	49.2
September 30, 2021	97,804	30.1	3,483	135.1	4,089	88.5	2,311	(52.5)

Note: Comprehensive income For the six months ended September 30, 2022: ¥4,992 million [157.9%]  
 For the six months ended September 30, 2021: ¥1,936 million [(79.4)%]

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2022	89.37	–
September 30, 2021	59.14	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	245,362	102,212	40.4
March 31, 2022	229,727	100,075	42.3

Reference: Equity

As of September 30, 2022: ¥ 99,184 million

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

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (Forecast)			–	50.00	50.00

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

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 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
Fiscal year ending March 31, 2023	209,500	5.2	7,000	(9.5)	6,900	(23.3)	4,700	(27.4)	123.31

Note: Revisions to the forecast of financial results most recently announced: No

\* Notes

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

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

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2022	40,445,568 shares
As of March 31, 2022	40,445,568 shares

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

As of September 30, 2022	2,329,308 shares
As of March 31, 2022	1,621,936 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2022	38,587,836 shares
Six months ended September 30, 2021	39,075,582 shares

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

\* Proper use of earnings forecasts, and other special matters

(1) Caution concerning forward-looking statements

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

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

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

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# 1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

## (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	14,469	19,182
Notes and accounts receivable - trade, and contract assets	28,344	29,844
Merchandise and finished goods	17,205	20,841
Work in process	10,813	12,118
Raw materials and supplies	20,818	19,640
Other	4,635	11,546
Allowance for doubtful accounts	(48)	(53)
Total current assets	96,238	113,121
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,051	23,451
Land	54,170	54,107
Other, net	12,754	12,482
Total property, plant and equipment	90,976	90,042
Intangible assets	376	339
Investments and other assets		
Investment securities	35,860	34,778
Other	6,997	7,900
Allowance for doubtful accounts	(720)	(820)
Total investments and other assets	42,136	41,859
Total non-current assets	133,489	132,240
Total assets	229,727	245,362

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,916	14,166
Electronically recorded obligations - operating	9,381	8,801
Short-term borrowings	13,504	31,567
Income taxes payable	1,491	1,472
Provisions	142	147
Other	19,423	21,424
<b>Total current liabilities</b>	<b>59,859</b>	<b>77,579</b>
Non-current liabilities		
Long-term borrowings	52,166	48,810
Provisions	75	76
Retirement benefit liability	2,543	2,475
Asset retirement obligations	239	226
Other	14,768	13,980
<b>Total non-current liabilities</b>	<b>69,793</b>	<b>65,569</b>
<b>Total liabilities</b>	<b>129,652</b>	<b>143,149</b>
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	54,557	56,080
Treasury shares	(2,197)	(3,085)
<b>Total shareholders' equity</b>	<b>80,570</b>	<b>81,205</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,832	10,956
Deferred gains or losses on hedges	(292)	(141)
Revaluation reserve for land	2,602	2,586
Foreign currency translation adjustment	35	2,160
Remeasurements of defined benefit plans	2,506	2,417
<b>Total accumulated other comprehensive income</b>	<b>16,683</b>	<b>17,979</b>
Non-controlling interests	2,821	3,027
<b>Total net assets</b>	<b>100,075</b>	<b>102,212</b>
<b>Total liabilities and net assets</b>	<b>229,727</b>	<b>245,362</b>

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	97,804	104,576
Cost of sales	85,162	91,343
Gross profit	12,642	13,232
Selling, general and administrative expenses	9,158	9,860
Operating profit	3,483	3,372
Non-operating income		
Foreign exchange gains	–	2,142
Other	1,668	832
Total non-operating income	1,668	2,975
Non-operating expenses		
Interest expenses	217	248
Administrative expenses of inactive mountain	432	401
Other	412	479
Total non-operating expenses	1,063	1,128
Ordinary profit	4,089	5,219
Extraordinary income		
Gain on sale of investment securities	45	362
Other	62	5
Total extraordinary income	107	368
Extraordinary losses		
Loss on valuation of investment securities	176	–
Demolition expenses of a rental building	466	470
Loss on liquidation of subsidiaries	–	348
Other	82	368
Total extraordinary losses	725	1,187
Profit before income taxes	3,470	4,399
Income taxes - current	996	1,380
Income taxes - deferred	35	(565)
Total income taxes	1,031	814
Profit	2,439	3,584
Profit attributable to non-controlling interests	128	136
Profit attributable to owners of parent	2,311	3,448

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,439	3,584
Other comprehensive income		
Valuation difference on available-for-sale securities	(157)	(876)
Deferred gains or losses on hedges	(929)	5
Foreign currency translation adjustment	508	1,863
Remeasurements of defined benefit plans, net of tax	128	(89)
Share of other comprehensive income of entities accounted for using equity method	(52)	504
Total other comprehensive income	(503)	1,407
Comprehensive income	1,936	4,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,782	4,760
Comprehensive income attributable to non-controlling interests	153	231



**(3) Quarterly consolidated statement of cash flows**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,470	4,399
Depreciation	1,931	2,047
Loss (gain) on sale of investment securities	(45)	(362)
Loss (gain) on valuation of investment securities	176	–
Interest and dividend income	(509)	(605)
Interest expenses	217	248
Foreign exchange losses (gains)	(5)	(354)
Decrease (increase) in trade receivables	(406)	(985)
Decrease (increase) in inventories	1,030	(2,573)
Increase (decrease) in trade payables	2,546	(3,070)
Other, net	(5,822)	(4,238)
Subtotal	2,582	(5,493)
Interest and dividends received	529	589
Interest paid	(219)	(235)
Income taxes paid	(1,720)	(2,129)
Other, net	52	78
Net cash provided by (used in) operating activities	1,224	(7,191)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,158)	(1,289)
Payments for retirement of property, plant and equipment	(26)	(208)
Proceeds from sale of investment securities	52	493
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	–	420
Other, net	(15)	(13)
Net cash provided by (used in) investing activities	(3,148)	(597)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	7,294	26,341
Repayments of short-term borrowings	(6,003)	(10,331)
Proceeds from long-term borrowings	100	3,100
Repayments of long-term borrowings	(1,383)	(4,446)
Purchase of treasury shares	(0)	(888)
Dividends paid	(1,951)	(1,938)
Other, net	(149)	(130)
Net cash provided by (used in) financing activities	(2,093)	11,706
Effect of exchange rate change on cash and cash equivalents	243	794
Net increase (decrease) in cash and cash equivalents	(3,774)	4,712
Cash and cash equivalents at beginning of period	17,748	14,468
Cash and cash equivalents at end of period	13,973	19,181

**Assumptions**

		Six months ended September 30, 2022	Year-on-year change
Copper price	Six months ended September 30, 2022 (actual) \$/mt	8,634	(907)
	Third- and fourth-quarter forecast \$/mt	7,500	(2,341)
	Forecast \$/mt	8,067	(1,624)
Exchange rate	Six months ended September 30, 2022 (actual) Yen/\$	134.0	24.2
	Third- and fourth-quarter forecast Yen/\$	140.0	25.1
	Forecast Yen/\$	137.0	24.6

**Supplementary Material on Financial Results  
for the Six Months Ended September 30, 2022**

November 11, 2022  
Furukawa Co., Ltd.

**Net sales**

(Yen amounts are rounded down to millions.)

	Six months ended September 30, 2021	Six months ended September 30, 2022	Year-on-year change	Fiscal year ending March 31, 2023		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	38,650	39,933	1,282	84,100	82,100	5,161
Industrial Machinery segment	8,632	7,862	(769)	20,200	18,600	876
Rock Drill Machinery segment	15,412	18,003	2,591	35,500	35,600	4,689
UNIC Machinery segment	14,606	14,067	(539)	28,400	27,900	(405)
Materials business	57,756	61,964	4,207	120,500	121,800	3,636
Metals segment	50,335	53,903	3,567	105,200	106,400	3,404
Electronics segment	3,584	3,600	15	7,300	7,000	(271)
Chemicals segment	3,836	4,461	624	8,000	8,400	503
Real Estate segment	1,036	1,067	31	2,000	2,000	(115)
Others segment	360	1,610	1,249	2,900	3,600	1,720
<b>Total</b>	<b>97,804</b>	<b>104,576</b>	<b>6,771</b>	<b>209,500</b>	<b>209,500</b>	<b>10,402</b>

**Operating profit**

	Six months ended September 30, 2021	Six months ended September 30, 2022	Year-on-year change	Fiscal year ending March 31, 2023		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	2,093	1,882	(210)	5,300	5,200	520
Industrial Machinery segment	337	13	(324)	1,800	1,500	103
Rock Drill Machinery segment	404	1,057	653	2,000	2,500	1,382
UNIC Machinery segment	1,351	811	(539)	1,500	1,200	(965)
Materials business	1,091	1,175	84	1,200	1,300	(1,049)
Metals segment	452	492	40	0	500	(440)
Electronics segment	228	321	92	600	300	(366)
Chemicals segment	410	361	(48)	600	500	(243)
Real Estate segment	361	424	62	600	700	(43)
Others segment	(30)	(59)	(29)	(30)	(100)	(117)
(Subtotal)	3,516	3,422	(93)	7,070	7,100	(689)
Eliminations/corporate	(32)	(50)	(18)	(70)	(100)	(45)
<b>Total</b>	<b>3,483</b>	<b>3,372</b>	<b>(111)</b>	<b>7,000</b>	<b>7,000</b>	<b>(734)</b>

\* 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 second quarter is as follows.

	As of September 30, 2021	As of September 30, 2022	Year-on-year change
Order backlog	¥9.1 billion	¥12.7 billion	¥3.6 billion

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

	Six months ended September 30, 2021	Six months ended September 30, 2022	Year-on-year change
Operating profit	¥0.45 billion	¥0.49 billion	¥0.04 billion
Of which was due to price fluctuations	¥0.74 billion	¥0.52 billion	¥(0.21) billion
Copper	[¥0.62 billion]	[¥(0.12) billion]	[¥(0.74) billion]
Gold	[¥0.08 billion]	[¥0.62 billion]	[¥0.54 billion]