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February 9, 2023

## Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5715  
 URL: <https://www.furukawakk.co.jp>  
 Representative: Minoru Nakatogawa, President and Representative Director  
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 Scheduled date to file quarterly securities report: February 13, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2022	156,954	6.3	6,050	5.7	6,887	2.9	4,495	1.1
December 31, 2021	147,605	28.1	5,721	89.7	6,694	86.9	4,449	(20.0)

Note: Comprehensive income For the nine months ended December 31, 2022: ¥ 7,169 million [25.7%]  
 For the nine months ended December 31, 2021: ¥ 5,703 million [(47.1)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	116.98	–
December 31, 2021	113.86	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	250,749	104,389	40.4
March 31, 2022	229,727	100,075	42.3

Reference: Equity

As of December 31, 2022: ¥ 101,303 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	211,200	6.1	8,000	3.4	8,300	(7.7)	5,400	(16.6)	141.67

Note: Revisions to the forecast of financial results most recently announced: Yes

\* 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 December 31, 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 December 31, 2022	2,329,458 shares
As of March 31, 2022	1,621,936 shares

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

Nine months ended December 31, 2022	38,430,623 shares
Nine months ended December 31, 2021	39,075,545 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

Caution concerning forward-looking statements

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

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# 1. Quarterly Consolidated Financial Statements and Significant Notes Thereto

## (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	14,469	17,707
Notes and accounts receivable - trade, and contract assets	28,344	30,711
Merchandise and finished goods	17,205	21,106
Work in process	10,813	12,783
Raw materials and supplies	20,818	26,583
Other	4,635	10,155
Allowance for doubtful accounts	(48)	(57)
Total current assets	96,238	118,989
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,051	23,127
Land	54,170	54,092
Other, net	12,754	12,912
Total property, plant and equipment	90,976	90,132
Intangible assets	376	331
Investments and other assets		
Investment securities	35,860	34,237
Other	6,997	7,828
Allowance for doubtful accounts	(720)	(769)
Total investments and other assets	42,136	41,296
Total non-current assets	133,489	131,760
Total assets	229,727	250,749

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,916	16,277
Electronically recorded obligations - operating	9,381	11,412
Short-term borrowings	13,504	27,953
Income taxes payable	1,491	1,106
Provisions	142	90
Other	19,423	25,831
Total current liabilities	59,859	82,671
Non-current liabilities		
Long-term borrowings	52,166	46,692
Provisions	75	77
Retirement benefit liability	2,543	2,631
Asset retirement obligations	239	227
Other	14,768	14,060
Total non-current liabilities	69,793	63,688
Total liabilities	129,652	146,360
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	54,557	57,127
Treasury shares	(2,197)	(3,086)
Total shareholders' equity	80,570	82,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,832	11,188
Deferred gains or losses on hedges	(292)	296
Revaluation reserve for land	2,602	2,586
Foreign currency translation adjustment	35	2,597
Remeasurements of defined benefit plans	2,506	2,382
Total accumulated other comprehensive income	16,683	19,051
Non-controlling interests	2,821	3,085
Total net assets	100,075	104,389
Total liabilities and net assets	229,727	250,749

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	147,605	156,954
Cost of sales	128,223	136,045
Gross profit	19,382	20,909
Selling, general and administrative expenses	13,661	14,859
Operating profit	5,721	6,050
Non-operating income		
Dividend income	691	784
Foreign exchange gains	112	1,736
Other	1,506	597
Total non-operating income	2,311	3,118
Non-operating expenses		
Administrative expenses of inactive mountain	616	584
Share of loss of entities accounted for using equity method	—	786
Other	720	909
Total non-operating expenses	1,337	2,280
Ordinary profit	6,694	6,887
Extraordinary income		
Gain on sale of investment securities	74	362
Gain on bargain purchase	414	—
Other	107	12
Total extraordinary income	596	374
Extraordinary losses		
Demolition expenses of a rental building	603	470
Loss on liquidation of subsidiaries	—	357
Other	333	388
Total extraordinary losses	937	1,217
Profit before income taxes	6,354	6,045
Income taxes - current	1,827	2,016
Income taxes - deferred	(103)	(661)
Total income taxes	1,724	1,355
Profit	4,630	4,690
Profit attributable to non-controlling interests	181	194
Profit attributable to owners of parent	4,449	4,495

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,630	4,690
Other comprehensive income		
Valuation difference on available-for-sale securities	842	(643)
Deferred gains or losses on hedges	(409)	428
Foreign currency translation adjustment	401	2,302
Remeasurements of defined benefit plans, net of tax	202	(123)
Share of other comprehensive income of entities accounted for using equity method	36	515
Total other comprehensive income	1,073	2,479
Comprehensive income	5,703	7,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,508	6,879
Comprehensive income attributable to non-controlling interests	194	290



## Supplementary Material on Financial Results for the Nine Months Ended December 31, 2022

February 9, 2023  
Furukawa Co., Ltd.

### Net sales

(Yen amounts are rounded down to millions.)

	Nine months ended December 31,2021	Nine months ended December 31,2022	Year-on-year change
Machinery business	57,169	60,352	3,183
Industrial Machinery segment	12,877	11,728	(1,149)
Rock Drill Machinery segment	22,713	27,780	5,067
UNIC Machinery segment	21,577	20,843	(734)
Materials business	87,828	92,437	4,608
Metals segment	76,643	80,753	4,109
Electronics segment	5,346	5,287	(59)
Chemicals segment	5,837	6,396	558
Real Estate segment	1,566	1,581	15
Others segment	1,041	2,583	1,541
<b>Total</b>	<b>147,605</b>	<b>156,954</b>	<b>9,348</b>

Fiscal year ending March 31, 2023		
Previously announced forecast	Forecast	Year-on-year change
82,100	80,600	3,661
18,600	17,700	(23)
35,600	35,000	4,089
27,900	27,900	(405)
121,800	125,100	6,936
106,400	109,800	6,804
7,000	6,900	(371)
8,400	8,400	503
2,000	2,000	(115)
3,600	3,500	1,620
209,500	211,200	12,102

### Operating profit

	Nine months ended December 31,2021	Nine months ended December 31,2022	Year-on-year change
Machinery business	3,439	3,495	55
Industrial Machinery segment	842	363	(479)
Rock Drill Machinery segment	628	2,019	1,390
UNIC Machinery segment	1,968	1,112	(856)
Materials business	1,792	2,009	217
Metals segment	819	1,164	345
Electronics segment	388	430	42
Chemicals segment	584	414	(169)
Real Estate segment	543	707	164
Others segment	(9)	(101)	(92)
(Subtotal)	5,765	6,110	345
Eliminations/corporate	(43)	(60)	(16)
<b>Total</b>	<b>5,721</b>	<b>6,050</b>	<b>328</b>

Fiscal year ending March 31, 2023		
Previously announced forecast	Forecast	Year-on-year change
5,200	5,500	820
1,500	1,300	(96)
2,500	2,800	1,682
1,200	1,400	(765)
1,300	2,000	(349)
500	1,000	59
300	500	(166)
500	500	(243)
700	800	56
(100)	(200)	(217)
7,100	8,100	310
(100)	(100)	(45)
7,000	8,000	265

### Exchange rate/Copper price

	Nine months ended December 31,2021	Nine months ended December 31,2022	Year-on-year change
Exchange rate Yen/\$	111.1	136.5	25.4
Copper price \$/mt	9,593	8,425	(1,168)

Fiscal year ending March 31, 2023		
Previously announced forecast	Forecast	Year-on-year change
137.0	135.6	23.2
8,067	8,419	(1,272)

\* 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 third quarter is as follows.

	As of December 31,2021	As of December 31,2022	Year-on-year change
Order backlog	¥8.8 billion	¥13.9 billion	¥5.0 billion

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

	Nine months ended December 31,2021	Nine months ended December 31,2022	Year-on-year change
Operating profit	¥0.81 billion	¥1.16 billion	¥0.34 billion
Of which was due to price fluctuations	¥1.23 billion	¥1.22 billion	¥(0.00) billion
Copper	[¥1.02 billion]	[¥0.26 billion]	[¥(0.76) billion]
Gold	[¥0.16 billion]	[¥0.89 billion]	[¥0.73 billion]