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February 9, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (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: February 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	142,034	(9.5)	6,668	10.2	8,205	19.1	14,763	228.4
December 31, 2022	156,954	6.3	6,050	5.7	6,887	2.9	4,495	1.1

Note: Comprehensive income For the nine months ended December 31, 2023: ¥ 19,378 million [170.3%]
 For the nine months ended December 31, 2022: ¥ 7,169 million [25.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	392.63	–
December 31, 2022	116.98	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	252,914	121,875	46.9
March 31, 2023	232,745	106,050	44.2

Reference: Equity

As of December 31, 2023: ¥ 118,542 million

As of March 31, 2023: ¥ 102,946 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, 2023	—	0.00	—	50.00	50.00
Fiscal year ending March 31, 2024	—	0.00	—		
Fiscal year ending March 31, 2024 (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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	189,300	(11.6)	9,000	(0.4)	10,500	12.3	16,500	165.6	443.67

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, 2023	40,445,568 shares
As of March 31, 2023	40,445,568 shares

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

As of December 31, 2023	3,255,564 shares
As of March 31, 2023	2,329,563 shares

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

Nine months ended December 31, 2023	37,601,601 shares
Nine months ended December 31, 2022	38,430,623 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	13,606	17,814
Notes and accounts receivable - trade, and contract assets	35,502	28,626
Merchandise and finished goods	18,705	20,185
Work in process	12,213	13,568
Raw materials and supplies	15,584	19,415
Other	4,318	6,000
Allowance for doubtful accounts	(47)	(48)
Total current assets	99,882	105,562
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,435	23,120
Land	53,910	51,747
Other, net	13,636	15,729
Total property, plant and equipment	90,981	90,597
Intangible assets	317	360
Investments and other assets		
Investment securities	34,711	38,954
Other	7,622	18,236
Allowance for doubtful accounts	(769)	(796)
Total investments and other assets	41,563	56,394
Total non-current assets	132,862	147,351
Total assets	232,745	252,914

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,397	15,821
Electronically recorded obligations - operating	9,244	11,583
Short-term borrowings	16,607	9,648
Income taxes payable	1,711	2,026
Provisions	202	202
Other	20,947	17,968
Total current liabilities	63,111	57,252
Non-current liabilities		
Bonds payable	–	5,000
Long-term borrowings	46,240	47,112
Provisions	97	4
Retirement benefit liability	2,481	2,387
Asset retirement obligations	228	232
Other	14,534	19,050
Total non-current liabilities	63,583	73,787
Total liabilities	126,695	131,039
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	58,847	71,712
Treasury shares	(3,086)	(4,707)
Total shareholders' equity	83,971	95,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,320	14,875
Deferred gains or losses on hedges	(77)	305
Revaluation reserve for land	2,582	2,575
Foreign currency translation adjustment	1,564	3,130
Remeasurements of defined benefit plans	2,584	2,439
Total accumulated other comprehensive income	18,974	23,327
Non-controlling interests	3,103	3,332
Total net assets	106,050	121,875
Total liabilities and net assets	232,745	252,914

(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, 2022	Nine months ended December 31, 2023
Net sales	156,954	142,034
Cost of sales	136,045	120,398
Gross profit	20,909	21,636
Selling, general and administrative expenses	14,859	14,967
Operating profit	6,050	6,668
Non-operating income		
Dividend income	784	898
Foreign exchange gains	1,736	818
Other	597	1,144
Total non-operating income	3,118	2,861
Non-operating expenses		
Interest expenses	379	376
Administrative expenses of inactive mountain	584	608
Share of loss of entities accounted for using equity method	786	-
Other	530	341
Total non-operating expenses	2,280	1,325
Ordinary profit	6,887	8,205
Extraordinary income		
Gain on sale of non-current assets	12	13,427
Other	362	677
Total extraordinary income	374	14,105
Extraordinary losses		
Demolition expenses of a rental building	470	458
Loss on liquidation of subsidiaries	357	205
Other	388	167
Total extraordinary losses	1,217	831
Profit before income taxes	6,045	21,479
Income taxes - current	2,016	3,882
Income taxes - deferred	(661)	2,649
Total income taxes	1,355	6,531
Profit	4,690	14,947
Profit attributable to non-controlling interests	194	184
Profit attributable to owners of parent	4,495	14,763

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	4,690	14,947
Other comprehensive income		
Valuation difference on available-for-sale securities	(643)	2,559
Deferred gains or losses on hedges	428	364
Foreign currency translation adjustment	2,302	1,330
Remeasurements of defined benefit plans, net of tax	(123)	(144)
Share of other comprehensive income of entities accounted for using equity method	515	320
Total other comprehensive income	2,479	4,430
Comprehensive income	7,169	19,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,879	19,123
Comprehensive income attributable to non-controlling interests	290	255

Supplementary Material on Financial Results for the Nine Months Ended December 31, 2023

February 9, 2024

Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Nine months ended December 31,2022	Nine months ended December 31,2023	Year-on-year change	Fiscal year ending March 31, 2024		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	60,352	60,995	642	85,600	84,100	2,441
Industrial Machinery segment	11,728	10,015	(1,713)	17,900	17,100	(843)
Rock Drill Machinery segment	27,780	29,995	2,214	38,700	39,100	3,347
UNIC Machinery segment	20,843	20,985	141	29,000	27,900	(61)
Materials business	92,437	76,618	(15,818)	98,300	99,300	(27,504)
Metals segment	80,753	64,501	(16,252)	81,900	83,500	(27,924)
Electronics segment	5,287	5,259	(28)	7,300	6,800	(126)
Chemicals segment	6,396	6,858	462	9,100	9,000	545
Real Estate segment	1,581	1,376	(204)	1,900	1,900	(156)
Others segment	2,583	3,043	460	4,200	4,000	328
Total	156,954	142,034	(14,919)	190,000	189,300	(24,890)

Operating profit

	Nine months ended December 31,2022	Nine months ended December 31,2023	Year-on-year change	Fiscal year ending March 31, 2024		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	3,495	3,934	439	6,600	6,100	6
Industrial Machinery segment	363	(286)	(650)	1,000	600	(915)
Rock Drill Machinery segment	2,019	3,258	1,239	4,100	4,300	1,269
UNIC Machinery segment	1,112	962	(149)	1,500	1,200	(347)
Materials business	2,009	2,615	606	2,800	2,700	390
Metals segment	1,164	1,845	681	1,700	1,900	623
Electronics segment	430	264	(166)	400	200	(300)
Chemicals segment	414	505	90	700	600	67
Real Estate segment	707	355	(352)	500	500	(335)
Others segment	(101)	(177)	(75)	(100)	(200)	(66)
(Subtotal)	6,110	6,728	617	9,800	9,100	(4)
Eliminations/corporate	(60)	(59)	1	(100)	(100)	(26)
Total	6,050	6,668	618	9,700	9,000	(31)

Exchange rate/Copper price

	Nine months ended December 31,2022	Nine months ended December 31,2023	Year-on-year change	Fiscal year ending March 31, 2024		
				Previously announced forecast	Forecast	Year-on-year change
Exchange rate Yen/\$	136.5	143.3	6.8	143.0	143.7	8.2
Copper price \$/mt	8,425	8,334	(91)	8,209	8,326	(225)

* 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 31,2022	As of December 31,2023	Year-on-year change
Order backlog	¥13.9 billion	¥16.7 billion	¥2.8 billion

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

	Nine months ended December 31,2022	Nine months ended December 31,2023	Year-on-year change
Operating profit	¥1.16 billion	¥1.84 billion	¥0.68 billion
Of which was due to price fluctuations	¥1.22 billion	¥1.16 billion	¥(0.06) billion
Copper	[¥0.26 billion]	[¥0.25 billion]	[¥(0.00) billion]
Gold	[¥0.89 billion]	[¥0.82 billion]	[¥(0.07) billion]