



△ FURUKAWA CO.,LTD.

Financial Results for the Fiscal Year Ended March 2025 Presentation Materials

May 30, 2025

Our company will celebrate its 150th anniversary on August 8, 2025.
The 150th-anniversary symbol mark represents the hardness and strength inherent in the machinery and metals that our group possesses.

FURUKAWA COMPANY GROUP

TSE Prime Market

Securities code: 5715



Financial Results / Full-Year Forecasts (Consolidated)

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Financial Results for the FY2024 (Consolidated)



		FY2023	FY2024	Difference
Net sales	Million Yen	188,255	201,216	12,961
Operating profit	Million Yen	8,524	9,763	1,239
Operating margin	%	4.5	4.9	0.4
Ordinary profit	Million Yen	10,384	9,705	(679)
Profit attributable to owners of parent	Million Yen	16,097	18,619	2,521

Financial Forecasts for the FY2025 (Consolidated)



		FY2024	FY2025 (Forecast)	Difference
Net sales	Million Yen	201,216	193,000	(8,216)
Operating profit	Million Yen	9,763	7,000	(2,763)
Operating margin	%	4.9	3.6	(1.3)
Ordinary profit	Million Yen	9,705	7,000	(2,705)
Profit attributable to owners of parent	Million Yen	18,619	5,000	(13,619)
Annual dividends	Yen	70	70	—

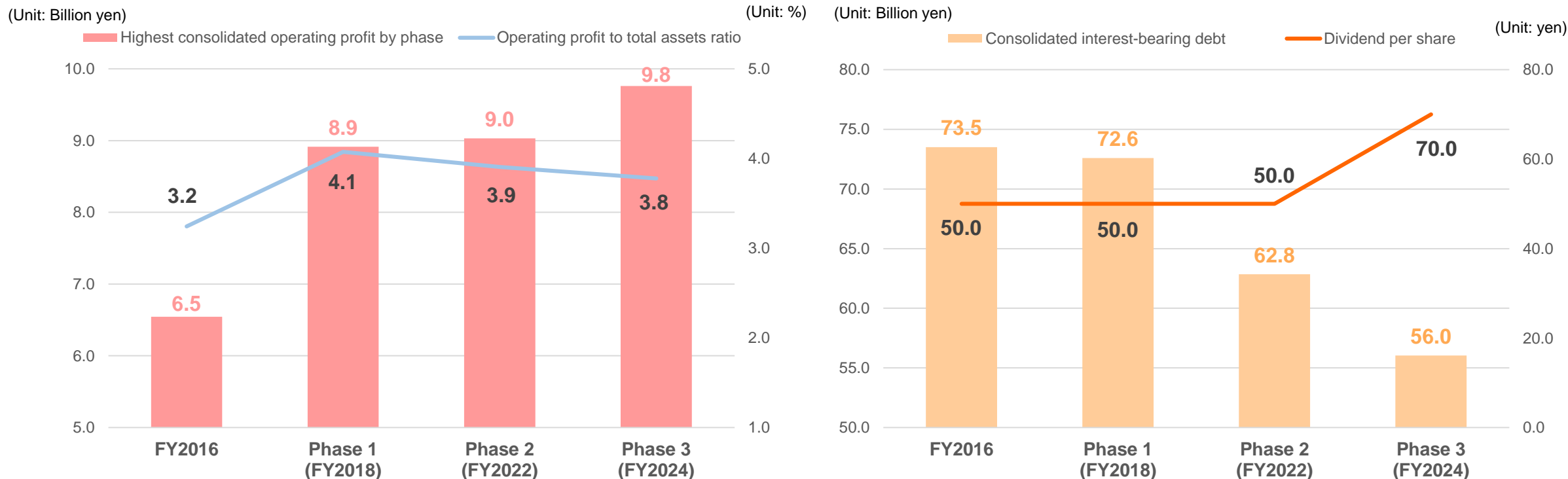
*FY2025 (Forecast) were announced on May 13, 2025

Performance Trends Under the 'Vision for 2025'

(Phase 1: FY2017–FY2019, Phase 2: FY2020–FY2022, Phase 3: FY2023–FY2025)



- Since FY2017, when the 2025 Vision was launched, the business and operating environment has fluctuated significantly, but as the phase progresses, consolidated operating profit has reached its highest level up to that point.
- We also focused on improving our financial position to support our growth strategy, reducing consolidated interest-bearing debt from ¥73.5 billion at the end of FY2016 to ¥56 billion at the end of FY2024.
- While improving our financial position, we are also strengthening measures to ensure sustainable and stable profit returns to shareholders. In the third phase of the plan, we raised the dividend from ¥50 per share until the second phase to ¥55 per share in FY2023. Furthermore, in FY2024, we plan to pay an interim dividend and raise the dividend per share to ¥70.



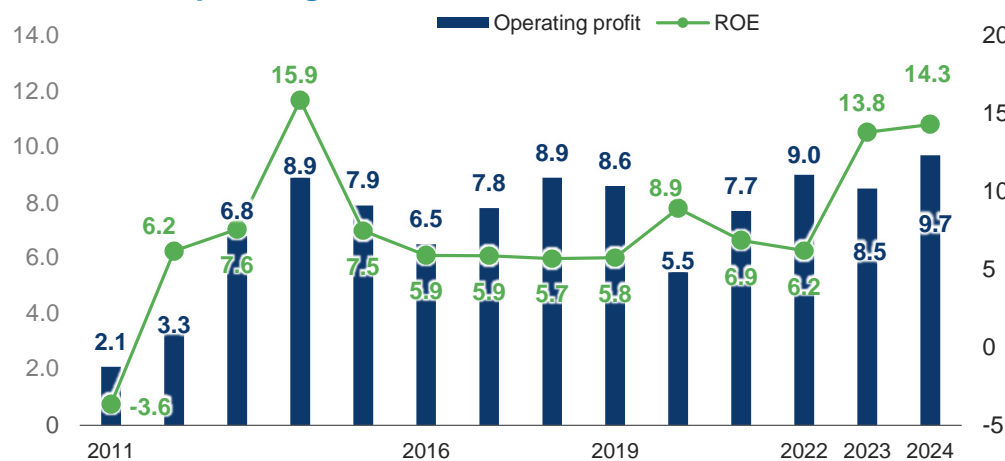
Transition of the Management Indicators of Medium-Term Business Plan 2025



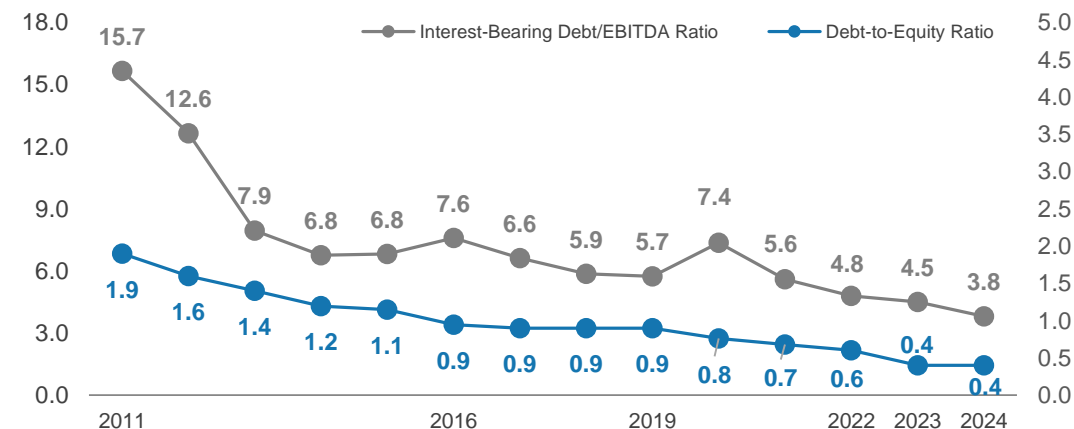
[Management Indicators]

		FY2025 (Medium-Term Business Plan image)	FY2023	FY2024	Achievement Status of the Medium-Term Business Plan
Operating profit	Million Yen	Approx. ¥13,000 Million	8,524	9,763	×
ROE	%	Approx. 8%	13.8	14.3	○
Debt-to-equity ratio	Times	0.5x range	0.4	0.4	○
Interest-bearing debt/EBITDA ratio	Times	3x range	4.5	3.8	○
Consolidated total return on equity	%	3% or more	3.1	4.6	○
Strategic shareholdings ratio	%	Less than 20% by March 31, 2025	40.8	16.6	○
Annual dividends	Yen	¥50 or more per share	55	70	○
Share buyback	Million Yen	Approx. ¥1,500-2,000 Million	1,620	3,440	○

Transition of Operating Profit / ROE



Transition of Debt-to-Equity Ratio / Interest-Bearing Debt/EBITDA ratio



Consolidated Income Statement



(Unit: Million yen)

	FY2023	FY2024	Difference
Net sales	188,255	201,216	12,961
Cost of sales	160,010	171,660	11,649
Gross profit	28,245	29,556	1,311
Selling, general and administrative expenses	19,721	19,793	72
Operating profit	8,524	9,763	1,239
Non-operating income	3,655	2,304	(1,351)
Dividend income	991	930	(61)
Share of profit of entities accounted for using equity method	539	620	80
Foreign exchange gains	1,162	-	(1,162)
Reversal of allowance for doubtful accounts	12	287	274
Other	948	466	(482)
Non-operating expenses	1,795	2,362	567
Interest expenses	510	539	29
Administrative expenses of inactive mountain	816	893	76
Foreign exchange losses	-	621	621
Other	467	307	(160)
Ordinary profit	10,384	9,705	(679)
Extraordinary income	16,092	17,535	1,442
Gain on sale of investment securities	2,659	17,077	14,418
Other	13,433	457	(12,976)
Extraordinary losses	3,224	2,032	(1,192)
Provision for environmental measures	-	1,785	1,785
Demolition expenses of a rental building	458	-	(458)
Loss on liquidation of investments and loans in affiliated companies	2,058	-	(2,058)
Other	708	246	(461)
Profit before income taxes	23,252	25,208	1,955
Income taxes – current	5,378	7,547	2,169
Income taxes – deferred	1,552	(1,102)	(2,655)
Profit	16,321	18,762	2,441
Profit attributable to non-controlling interests	224	143	(80)
Profit attributable to owners of parent	16,097	18,619	2,521

Operating profit increased by ¥1.2 billion; however, due to a foreign exchange loss of ¥1,783 million (the difference between loss of ¥621 million this fiscal year and gain of ¥1,162 million in the previous fiscal year), ordinary profit decreased by ¥600 million.

Gain on sale of investment securities related to the disposal of policy-held shares

In the previous fiscal year, a portion of the co-ownership interest in the Furukawa Osaka Building site and other land was transferred (¥13,423 million)

To prepare for the expenditure of remediation costs related to residual lead contamination in residential areas surrounding the site of the former smelter in Australia, the estimated amount of these costs has been recorded.

Losses from the transfer of Cariboo Copper Corp.* shares (*Holding a 25% interest in the Gibraltar Mine)

Consolidated Balance Sheet



(Million yen)

	FY2023	FY2024	Difference
Assets			
Current assets	99,636	116,759	17,122
Non-current assets	160,241	140,347	(19,893)
Property, plant and equipment	92,045	94,796	2,750
Intangible assets	342	329	(12)
Investments and other assets	67,853	45,221	(22,631)
Total assets	259,878	257,107	(2,770)

Increase in cash and deposits, notes receivable, accounts receivable and contract assets, as well as prepaid expenses

Reduction of Investment securities due to the partial sale of policy-held shares

Liabilities			
Current liabilities	51,669	53,114	1,444
Non-current liabilities	74,935	70,420	(4,515)
Total liabilities	126,605	123,534	(3,071)

Decrease in electronically recorded obligations and short-term borrowings, along with an increase in accounts payable and accrued corporate taxes

Increase in environmental provisions and decrease in deferred tax liabilities

Net assets			
Shareholders' equity	96,549	108,655	12,106
Share capital	28,208	28,208	-
Capital surplus	2	2	-
Retained earnings	73,046	82,385	9,338
Treasury shares	(4,707)	(1,940)	2,767
Accumulated other comprehensive income	33,358	22,154	(11,203)
Non-controlling interests	3,365	2,763	(602)
Total net assets	133,272	133,572	300
Total liabilities and net assets	259,878	257,107	(2,770)

Decrease in valuation difference on available-for-sale securities owing to a reduction in strategic shareholdings

Interest-Bearing Debt & Consolidated Cash Flow



[Interest-bearing debt]

(Million yen)

	FY2023	FY2024	Difference
Short-term	493	564	70
Long-term	52,895	50,470	(2,425)
Bonds payable	5,000	5,000	-
Total	58,389	56,034	(2,354)

[Consolidated cash flow]

	FY2023	FY2024	Difference
Cash flows from operating activities	10,492	5	(10,487)
Cash flows from investing activities	1,915	15,098	13,182
Cash flows from financing activities	(8,446)	(9,234)	(787)
Cash and cash equivalents	18,193	24,391	6,197

Adjusted income after non-cash profit and loss items (¥14,006 million), expenditures due to changes in assets and liabilities related to operating activities [(-)¥9,161 million], and net payments for corporate taxes [(-)¥5,347 million], etc.

Purchase of property, plant and equipment [(-)¥7,664 million], proceeds from sale of investment securities [¥23,529 million], etc.

Reduction of interest-bearing debt (¥(-)2,345 million), expenditures for the acquisition of treasury stock [(-)¥3,440 million], and dividend payments [(-)¥3,127 million], etc.

Financial Results by Segment (Consolidated)



(Million yen)

	Net sales			Operating profit		
	FY2023	FY2024	Difference	FY2023	FY2024	Difference
Machinery	82,085	86,301	4,216	5,696	5,980	284
Industrial	15,548	22,213	6,664	389	2,206	1,817
Rock Drill	38,682	35,003	(3,678)	4,148	2,795	(1,352)
UNIC	27,853	29,084	1,231	1,158	977	(180)
Materials	100,388	108,757	8,369	2,765	3,169	403
Metals	84,712	92,384	7,671	1,945	2,418	473
Electronics	6,766	6,545	(221)	212	125	(87)
Chemicals	8,908	9,827	918	608	625	17
Real Estate	1,873	2,071	198	470	686	216
Other	3,908	4,085	177	(293)	15	309
Adjustment				(114)	(89)	24
Total	188,255	201,216	12,961	8,524	9,763	1,239

JPY rate per US\$	144.6 ¥/\$	152.6 ¥/\$	7.9 ¥/\$
LME copper price	8,362 \$/ton	9,370 \$/ton	1,008 \$/ton

Financial Forecasts by Segment (Consolidated)

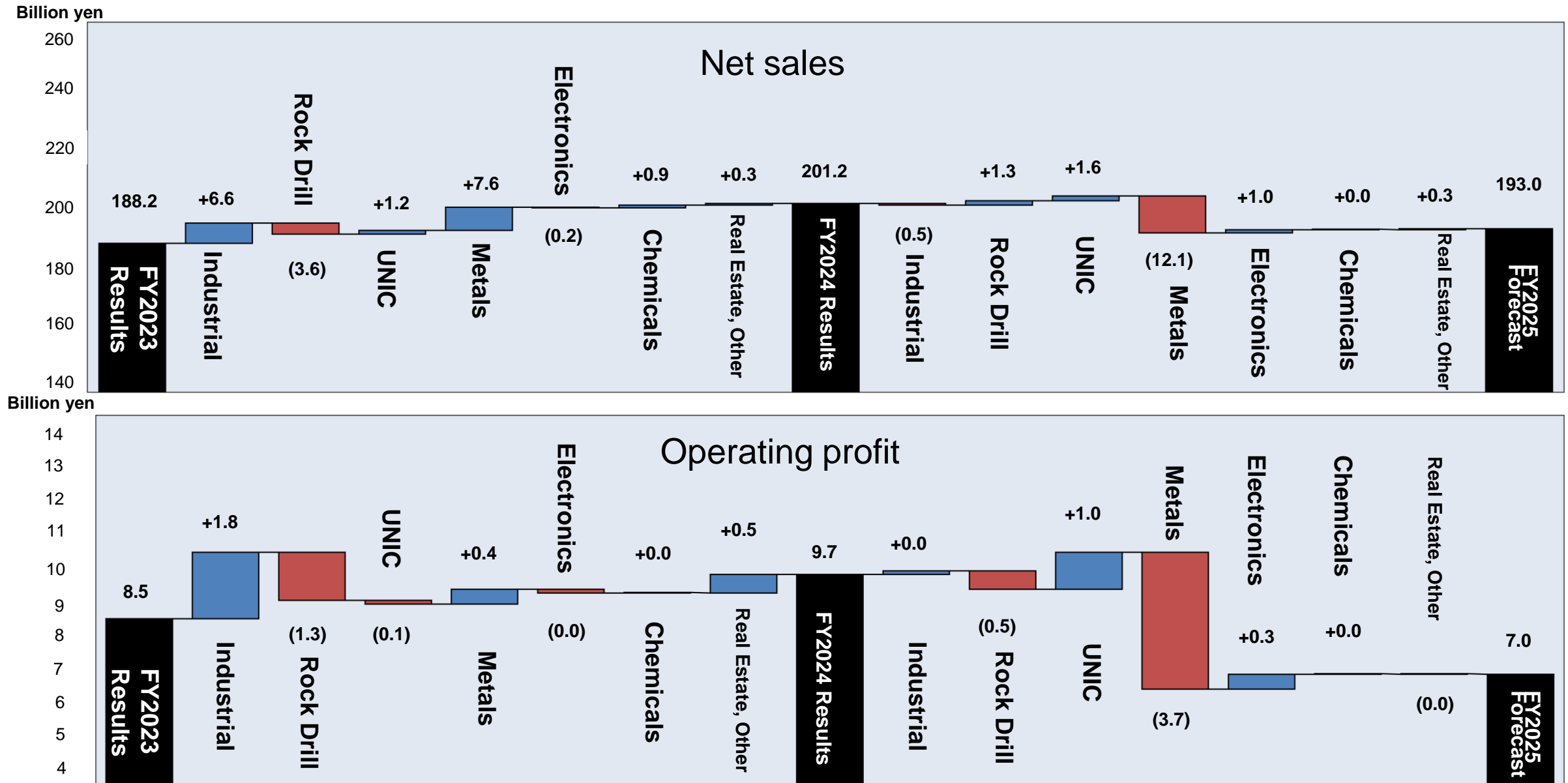


(Million yen)

	Net sales			Operating profit		
	FY2024	FY2025 (Forecast)	Difference	FY2024	FY2025 (Forecast)	Difference
Machinery	86,301	88,800	2,498	5,980	6,500	519
Industrial	22,213	21,700	(513)	2,206	2,300	93
Rock Drill	35,003	36,400	1,396	2,795	2,200	(595)
UNIC	29,084	30,700	1,615	977	2,000	1,022
Materials	108,757	97,700	(11,057)	3,169	(100)	(3,269)
Metals	92,384	80,200	(12,184)	2,418	(1,300)	(3,718)
Electronics	6,545	7,600	1,054	125	500	374
Chemicals	9,827	9,900	72	625	700	74
Real Estate	2,071	2,100	28	686	700	13
Other	4,085	4,400	314	15	0	(15)
Adjustment				(89)	(100)	(10)
Total	201,216	193,000	(8,216)	9,763	7,000	(2,763)

JPY rate per US\$	152.6 ¥/\$	145.0 ¥/\$	(7.6) ¥/\$
LME copper price	9,370 \$/ton	9,000 \$/ton	(370) \$/ton

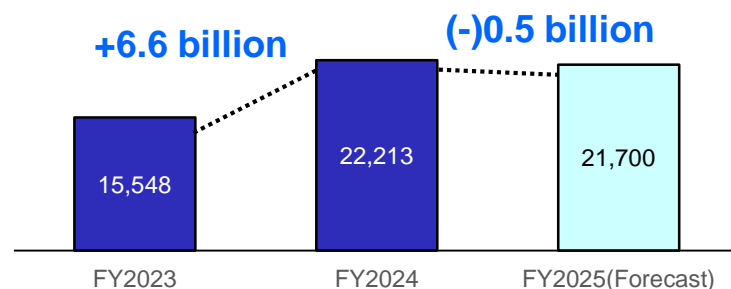
Increase/Decrease in Earnings by Segment (Consolidated)



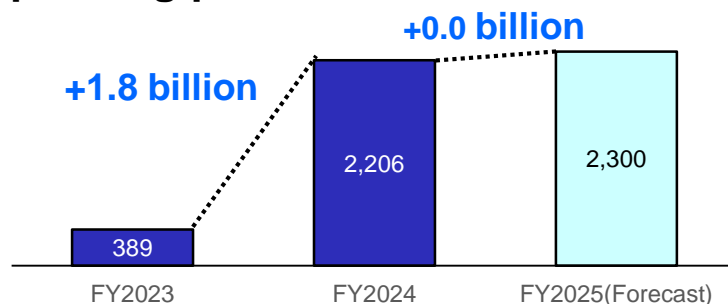
Results by Segment (Industrial Machinery Segment)



Net sales (Unit: Million yen)



Operating profit (Unit: Million yen)



- Main factors of FY2024 results

[Net sales] ¥22.2 billion [+¥6.6 billion]

- Material machinery recorded a significant increase in net sales due to higher sales from stone crusher plants and large crusher projects.
- Revenue from pump equipment and bridges has increased significantly due to recognizing sales corresponding to the output from already ordered projects.

[Operating profit] ¥2.2 billion [+¥1.8 billion]

- Profit increased due to additional costs incurred in the previous fiscal year from delays in material machinery plant construction.

	FY2024	VS FY2023 Difference
Order backlog	¥10.0 billion	¥(5.8)billion

[Material machinery]

Crusher plants, quarry plants, etc.

[Bridges]

Route 4, National route20 Hachioji South Bypass Ofune-Terada Viaduct, New upgraded bridge on the Yamashiro Comprehensive Sports Park Joyo Line, etc.

[Belt conveyors]

Concrete transport equipment for dam construction, earth and sand transport equipment for tunnel excavation, etc.

- Main factor of FY2025 forecast

[Net sales] ¥21.7 billion [(-)¥0.5 billion]

- Pump sales are expected to increase due to expanded sales of strategic products and stock-oriented sales initiatives. Belt conveyor sales are also projected to grow, driven by higher production volume. However, sales of bridge and pump equipment are expected to decline as a reaction to the previous year's strong performance, resulting in an overall decrease.

[Operating profit] ¥2.3 billion [+¥90 million]

- Expected to remain flat YoY, mainly due to improved profit margins.

- Ref: Features, destinations, market share, etc. of the main products

Pumps

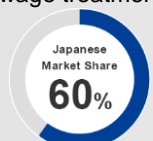
[Features]

Pumps products superior in the durability and abrasion resistance which was amassed through mine development.

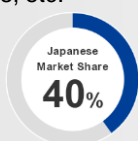
[Destinations]

Shield tunnel construction sites, sewage treatment plants, etc.

[Market share]



Sewage Pumps



Slurry Pumps

Material machinery

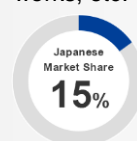
[Features]

Supports section plants including machine manufacturing and sales.

[Destinations]

Quarries, limestone mines, steel works, etc.

[Market share]



Crushers



Infrastructure division

[Features]

Comprehensive capability to undertake all the processes from the design of construction work to its execution.

[Destinations]

New construction of steel bridges, Construction of conveying earth and sand, etc.

[Attention]

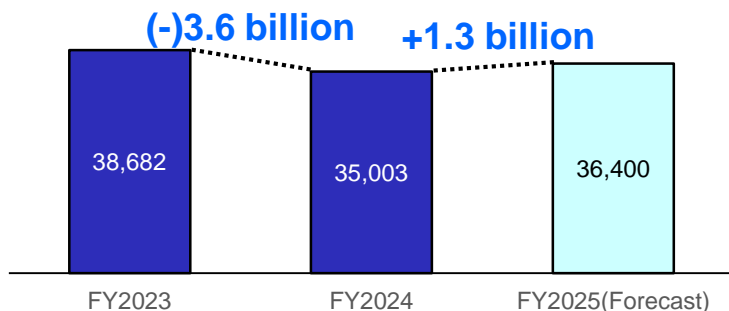
Belt conveyors attract attention which instead of dump trucks to transport earth and sand. Inquiries are increasing.



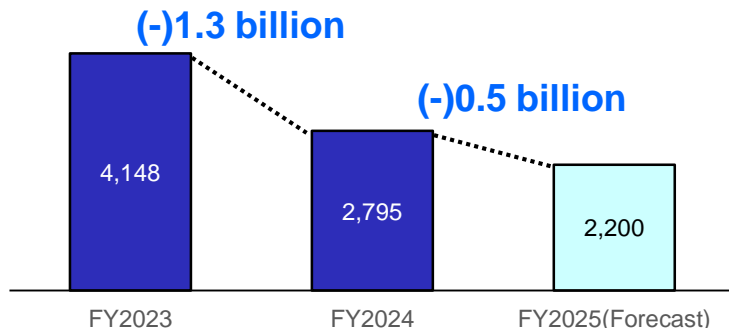
Results by Segment (Rock Drill Segment)



Net sales (Unit: Million yen)



Operating profit (Unit: Million yen)



- Main factors of FY2024 results

[Net sales] Japan ¥14.0 billion, Overseas ¥20.9 billion [Japan (-)¥0.3billion, Overseas (-)¥3.3 billion]

- In Japan due to a decrease in shipments of hydraulic crawler drills and tunnel drill jumbos, despite an increase in shipments of hydraulic breakers.
- Overseas sales decreased due to a significant decrease in shipments of hydraulic breakers and hydraulic crawler drills to North America, which were strong in the previous year, despite an increase in shipments of hydraulic crawler drills in Southeast Asia and the Middle East..

[Operating profit] ¥2.7 billion [(-)¥1.3 billion]

- Mainly due to lower sales in North America, despite the effect of yen depreciation.

- Main factors of FY2025 forecasts

[Net sales] Japan ¥14.0 billion, Overseas ¥22.3 billion [Japan flat, Overseas +¥1.4 billion]

- In Japan, shipments of hydraulic breakers and crushers are expected to increase, while sales of hydraulic crawler drills are projected to decline due to reduced demand. Overall, domestic sales are expected to remain in line with the previous year.
- Overseas sales are forecast to increase, driven by efforts to expand sales of large hydraulic breakers for the North American market.

[Operating profit] ¥2.2 billion [(-)¥0.5 billion]

- Expected to decrease mainly due to the appreciation of the yen.

- Ref: Features, destinations, market share, etc. of the main products

Hydraulic breakers

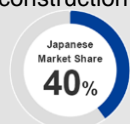
[Features]

Wide range of models from small to super large size.
High-quality and high-striking power.

[Destinations]

Strip mine such as quarries, etc.
Civil engineering work and at construction sites, etc.

[Market share]



Hydraulic breakers



Hydraulic crawler drills

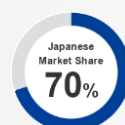
[Features]

Accurate and speedy drilling technology suitable for the rock conditions.

[Destinations]

Strip mine such as limestone mines, etc.
Infrastructure work in overseas, etc.

[Market share]



Hydraulic crawler drills



Tunnel drill jumbos

[Features]

Many proven results in mountain tunnel and large tunnel constructions.

[Destinations]

Mountain tunnel construction sites,
Dam headrace construction sites, etc.

[Market share]



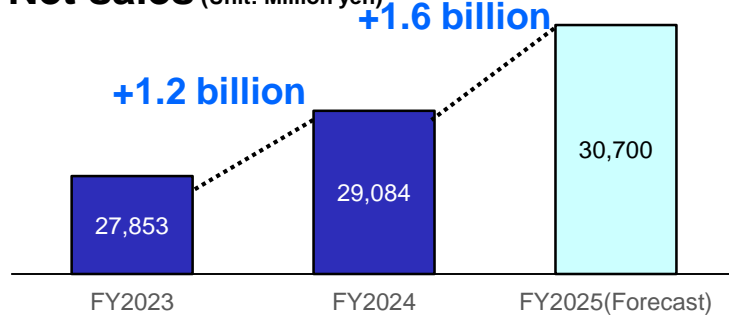
Tunnel drill jumbos



Results by Segment (UNIC Segment)



Net sales (Unit: Million yen)



- Main factors of FY2024 results

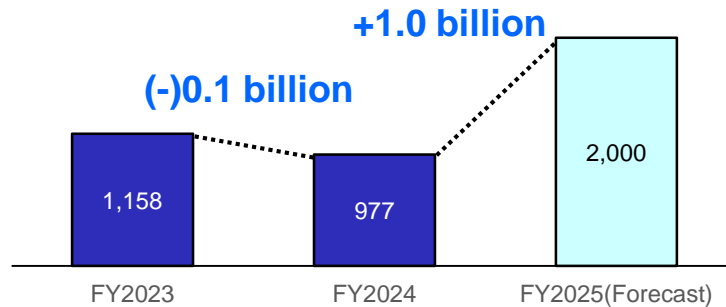
[Net sales] Japan ¥22.9 billion, Overseas ¥6.1 billion [Japan +¥1.3 billion, Overseas (-)¥0.1 billion]

- Expected to increase in Japan due to a trend of recovery in truck production delays and an increase in truck supply compared to the previous fiscal year, leading to an increase in shipments of UNIC cranes.
- Overseas, shipments of UNIC cranes to the Middle East increased, but shipments of UNIC cranes to China and mini-crawler cranes to North America declined, resulting in lower sales.

[Operating profit] ¥0.9 billion [(-)¥0.1 billion]

- Decreased due to a worsening cost ratio as a result of continued product shipments prior to price hikes in response to raw materials.

Operating profit (Unit: Million yen)



- Main factors of FY2025 forecasts

[Net sales] Japan ¥24.1 billion, Overseas ¥6.5 billion [Japan +¥1.2 billion, Overseas +¥0.3 billion]

- Expected to increase in Japan as truck production gradually recovers and shipments of UNIC cranes and UNIC carriers are expected to increase.
- Overseas sales are expected to increase due to increased shipments in North America, Southeast Asia, and the Middle East.

[Operating profit] ¥2.0 billion[+¥1.0 billion]

- Profit expected to increase due to the increase in sales and the completion of product shipments before the price hike.

- Ref: Features, destinations, market share, etc. of the main products

UNIC cranes

- [Features]** Wide range of models such as various boom lengths etc. which correspond to customer needs.
- [Destinations]** Construction and civil engineering sites, material handling, rental companies, etc.

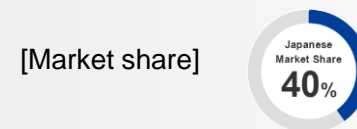


UNIC cranes



Mini-crawler cranes

- [Features]** Show the power in narrow ground, rough ground and indoor worksites.
- [Destinations]** Narrow or rough ground, Indoor worksites, rental companies, etc.

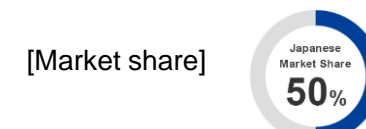


Mini-crawler cranes



UNIC carriers

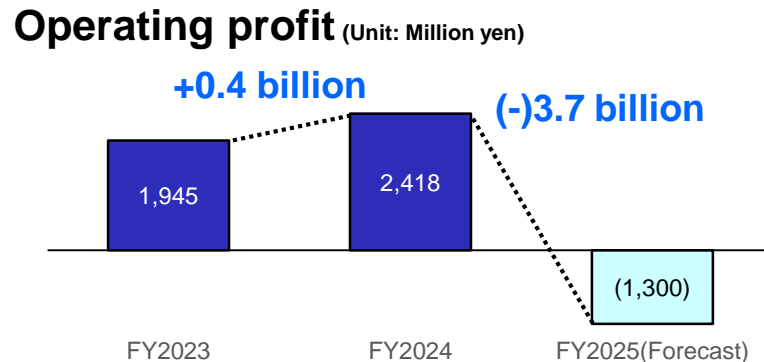
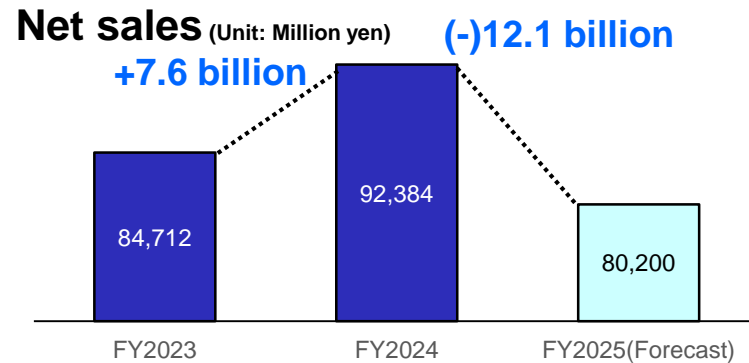
- [Features]** Wide range of models such as car transporter type, heavy machine transporter type, etc.
- [Destinations]** Car dealer, transportation company, road construction company, etc.



UNIC carriers



Results by Segment (Metals Segment)



- Ref: Features, destinations, market share, etc. of the main products

Electrolytic copper

- [Features]** It has been responsible for supplying electrolytic copper since founding, and produce approx. 46,000 tons a year.
- [Destinations]** Electric wires, copper elongation products, home appliances, communication equipment, automobiles, etc.
- [FY2023 and Beyond]** Termination of entrusted copper smelting agreement with Onahama Smelting and Refining Co., Ltd. and clear outlook on fundamentally review entrusted smelting business.

- Main factors of FY2024 results

[Net sales] ¥92.3 billion [+¥7.6 billion]

- Increased due to higher overseas market prices and the effect of yen depreciation, despite a decrease in sales volume of electrolytic copper production down 2,487 tons to 45,775 tons.

Copper +¥1.0 billion [Volume ¥(9.1) billion, Unit price +¥10.1 billion]
Gold ¥6.3 billion [Volume ¥(0.0) billion, Unit price +¥6.4 billion]

[Operating profit] ¥2.4 billion [+¥0.4 billion]

- Profit increased despite worsening conditions for ore purchases, due to price gains from the impact of metal price fluctuations and the effect of yen depreciation.

Profit/loss from metal price fluctuations in the metals segment

	FY2024	VS FY2023
Operating profit	¥2.41 billion	¥0.47 billion
Include price effect	¥2.18 billion	¥0.86 billion
Copper	¥(0.30) billion	¥(0.11) billion
Gold	¥1.74 billion	¥(0.71) billion

	FY2024	VS FY2023 Difference
JPY rate per US\$	152.6 ¥/\$	7.9 ¥/\$
LME copper price	9,370 \$/ton	1,008 \$/ton

	FY2025 (Forecast)	VS FY2024 Difference
JPY rate per US\$	145.0 ¥/\$	(7.6) ¥/\$
LME copper price	9,000 \$/ton	(370) \$/ton

- Main factors of FY2025 forecasts

[Net sales] ¥80.2 billion [(-)¥12.1 billion]

- Electrolytic copper production is expected to be 45,076 tons, down 699 tons from the previous year. Although the sales volume is projected to decline only slightly, overall sales are expected to decrease due to the appreciation of the yen.

Copper ¥(6.2) billion [Volume ¥(0.3) billion, Unit price ¥(5.8) billion]
Gold ¥(5.9) billion [Volume ¥(4.7) billion, Unit price ¥(1.1) billion]

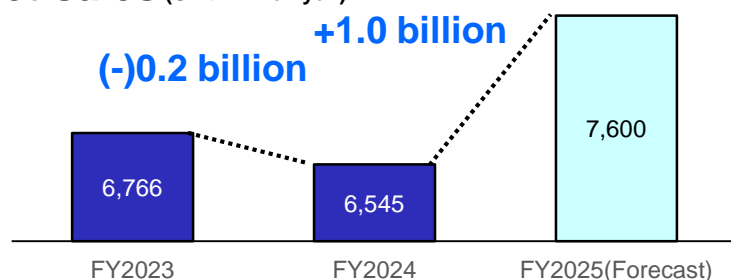
[Operating profit] (-)¥1.3 billion [(-)¥3.7 billion]

- Projected to be in the red due to the expected deterioration in P&L from consignment due to a drop in ore purchase terms and the absence of price gains from the impact of metal price fluctuations that existed in the fiscal year ended March 31, 2025.

Results by Segment (Electronics Segment)



Net sales (Unit: Million yen)



- Main factors of FY2024 results

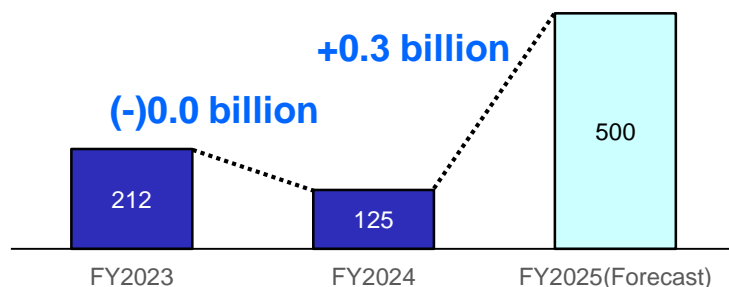
[Net sales] ¥6.5 billion [(-)¥0.2 billion]

- Sales of aluminum nitride ceramics increased due to a recovery in demand for parts for semiconductor manufacturing equipment. However, sales of high-purity metallic arsenic decreased due to a decline in exports, crystal products were affected by customers' inventory adjustments, and coil sales declined due to sluggish growth in automobile production.

[Operating profit] ¥0.1 billion [(-)¥0.08 billion]

- Decreased due to lower sales.

Operating profit (Unit: Million yen)



- Main factors of FY2025 forecasts

[Net sales] ¥7.6 billion [+¥1.0 billion]

- Sales of high-purity metallic arsenic are expected to recover, inventory adjustments for crystal products are easing, and demand for aluminum nitride ceramics is projected to grow due to increased demand for semiconductor manufacturing equipment components. As a result, overall sales are expected to increase.

[Operating profit] ¥0.5 billion [+¥0.3 billion]

- Expected to increase due to higher sales.

- Ref: Features, destinations, market share, etc. of the main products

High-purity metallic arsenic

[Features] We have been mass-producing the world's purest high-purity metal arsenide at 99.999995% (7N5). We also boast the global top share.

[Destinations] PC, smartphones, infrared luminous parts, red LD and LEDs, etc.

[Market share]



High-purity metallic arsenic



Aluminum nitride ceramics

[Features] The heat-dissipating materials, high thermal conductivity, insulation, heat uniformity, corrosion resistance, was made by our proprietary technologies such as sintering and processing.

[Destinations] Semiconductor manufacturing equipment components, high-power LD/LEDs, resin-based heat-dissipation sheets, etc.

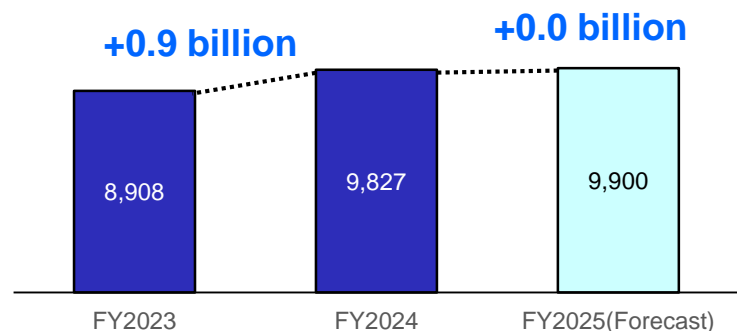
[Full production] Awareness as an excellent heat-dissipating materials is spreading. Capital investment has been implemented to increase production to meet future demand growth.



Results by Segment (Chemicals Segment)



Net sales (Unit: Million yen)



- Main factors of FY2024 results

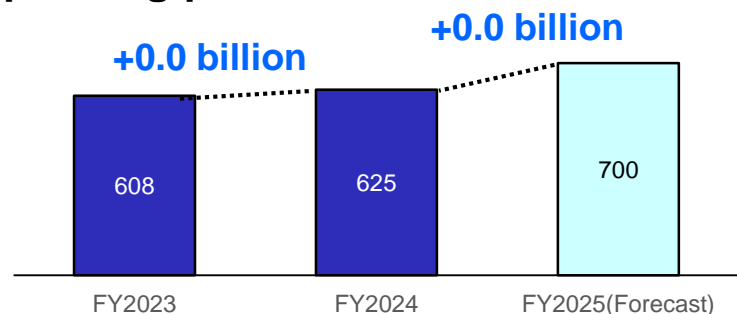
[Net sales] ¥9.8 billion [+¥0.9 billion]

- Cupric oxide increased due to higher unit prices resulting from higher copper prices and price revisions, despite lower demand for package substrates for PCs, smartphones, servers, and other products.
- Sales of cuprous oxide increased due to strong demand for ship-bottom paints, as well as higher copper prices and price revisions.

[Operating profit] ¥0.6 billion [+¥0.01 billion]

- Increased due to higher sales.

Operating profit (Unit: Million yen)



- Main factors of FY2025 forecasts

[Net sales] ¥9.9 billion [+¥0.07 billion]

- Overall sales are expected to remain flat YoY, with lower demand anticipated for cuprous oxide for ship-bottom paints, offset by higher sales of cupric oxide driven by growing demand in the AI server market.

[Operating profit] ¥0.7 billion [+¥0.07 billion]

- Expected to be in line with the previous year.

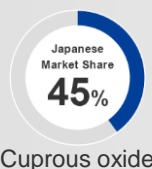
- Ref: Features, destinations, market share, etc. of the main products

Cuprous oxide

[Features] Antifoulant for ship-bottom paints to prevent barnacle build-up.

[Destinations] Ship-bottom paints manufacturer.

[Market share]



Cuprous oxide



Cupric oxide

[Features] High precision plating raw materials used for oxidation catalysts or printed circuit boards such as PC, etc.

[Destinations] Packaged boards (for PC and server processors), etc.

[Full production] Expected increased demand for package boards due to the miniaturization and high performance of electronic materials. Plan to increase the production capacity of our existing facilities.

Sulfuric acid

[Features] Uses the sulfur roasting method to produce sulfuric acid with very little impurity, and can be used as a food additive.

[Destinations] Manufacturer such as chemicals, electronic devices, steel, food processing, etc.

[Basic material] Demand is always stable as an indispensable basic material for each industry.

- Rock drill machinery and UNIC machinery segments will be affected by the US tariffs in our group.

	Rock drill machinery segment	UNIC machinery segment
Overseas sales (FY2024 Results)	¥20.9 billion	¥6.1 billion
Export value to the United States (FY2024 Results)	Approx. ¥6.0 billion	Approx. ¥1.5 billion
Export routes to the United States	Japan -> U.S.	Japan ->Thailand -> U.S.
(Reference) Overseas production bases of competitors	Epiroc: Europe, China, South Korea and India Sandvik: Europe and India	MAEDA SEISAKUSHO CO., LTD. : Japan Jekko: Italy

- In the rock drill machinery segment, the main concern is the US economic slowdown caused by tariffs, rather than the tariff rates themselves, as it may lead to reduced purchasing activity.

- The impact of the US tariffs has not been factored into the forecast for the fiscal year ending March 31, 2026.

Reduction of Strategic Shareholdings



- Reduction target of strategic shareholdings*

In May 2024, announced our goal of reducing the ratio of strategic shareholdings to less than 20% of consolidated net assets by the end of March 2025

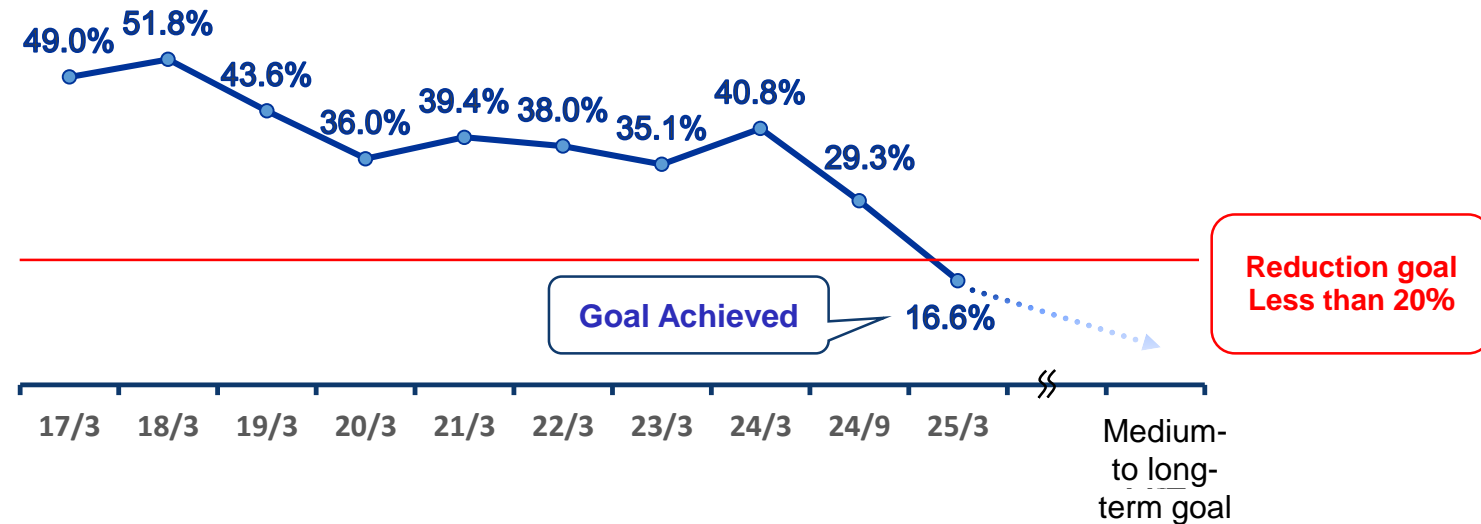
At End of Mar. 2025

Ratio of strategic shareholdings has been reduced to **16.6%**, achieving the goals

* Strategic shareholdings

Total amount of investment shares (in the Consolidated Balance Sheets) held for purposes other than pure investment (includes unlisted shares, but excludes shares in nonconsolidated subsidiaries and affiliates) + Shares deemed to be held for such purposes

Trends in the Ratio of Strategic Shareholdings



■ Future actions

We will continue to strive for reductions, including selling shares that are no longer deemed necessary to hold, and will consistently disclose the ratio of policy shareholdings.

Achieving ROE of Approx. 8% - Shareholder Return -

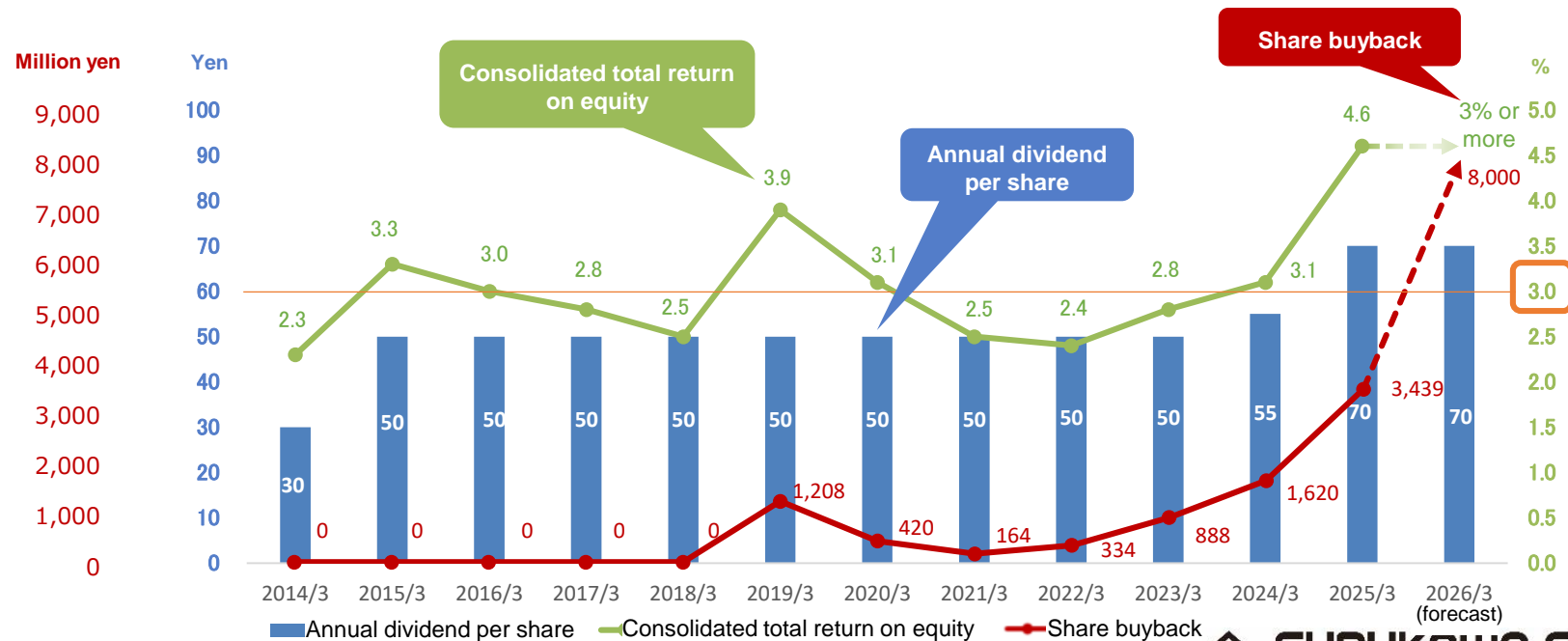
Expanding shareholder returns

- Dividend

- Dividend policy: In principle, we aim to pay annual dividends of ¥50.00 per share or higher with a consolidated total return on equity of at least 3%.
- FY2024 **Plans to increase the annual dividend to ¥70 per share** (¥30 interim dividend and ¥40 year-end dividend, which includes a commemorative dividend of ¥10).
- FY2025 **Plans to maintain an annual dividend of ¥70 per share** (¥30 interim dividend and ¥40 year-end dividend).

- Share buybacks

-The target for total share buybacks over the three years up to the fiscal year ending March 2026 has been increased to approximately ¥13 billion. (Published on February 10, 2025).
FY2023 acquisition amounts: ¥1.6 billion, FY2024 acquisition amounts: ¥3.4 billion.
FY2025 expects to acquire approximately ¥8.0 billion.

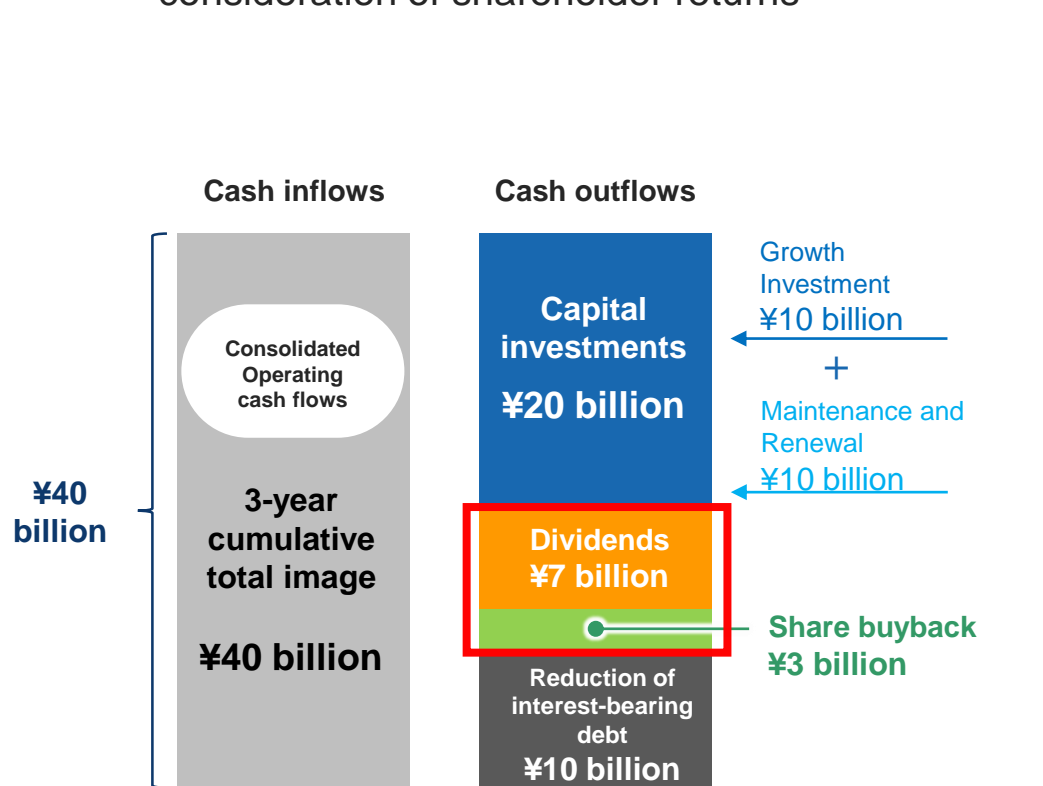


5 Consolidated Fund Balance



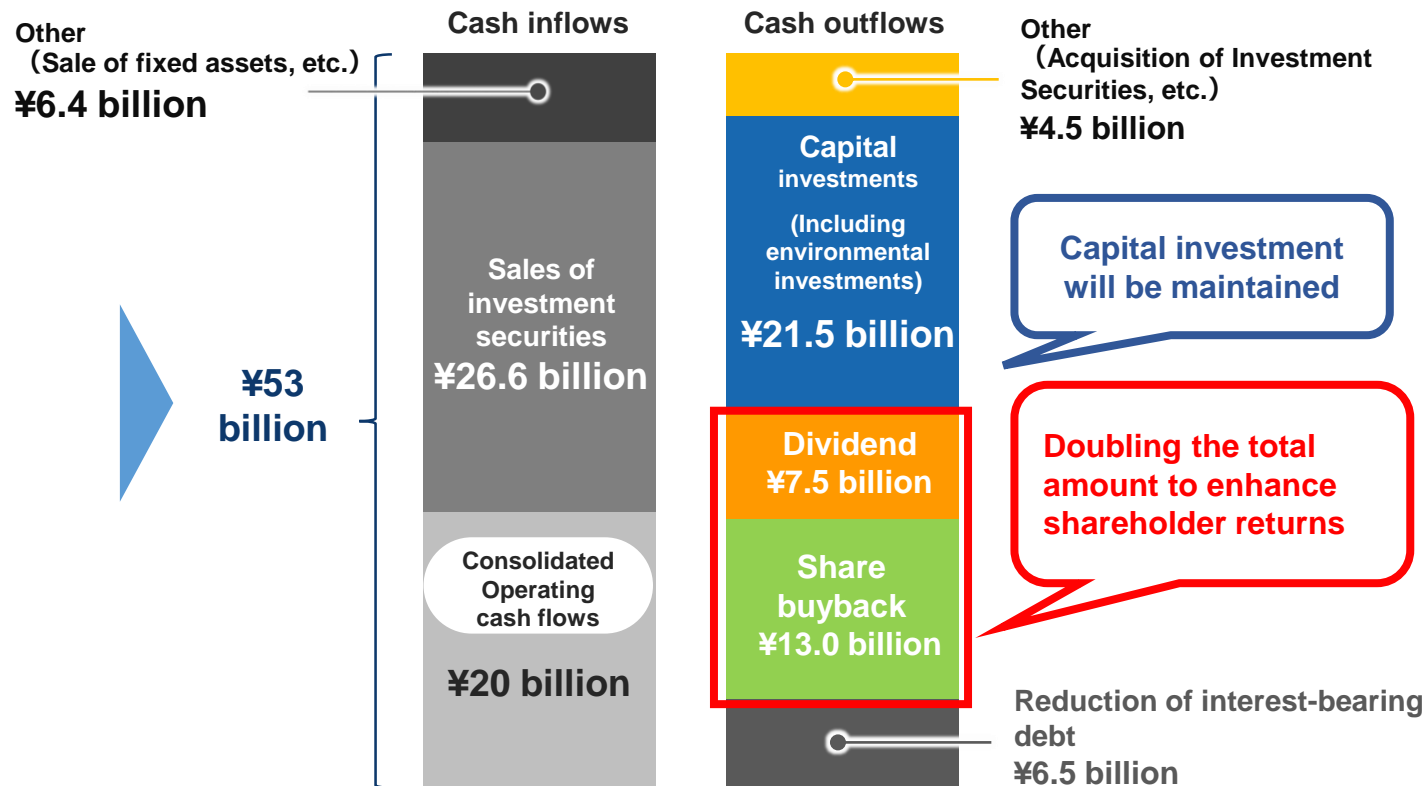
Medium-Term Business Plan 2025 (Cumulative image over three years)

- While aiming to establish a robust financial base, we will make capital investments to enhance corporate value over the medium-to long-terms
- Endeavor to allocate operating cash flow in consideration of shareholder returns



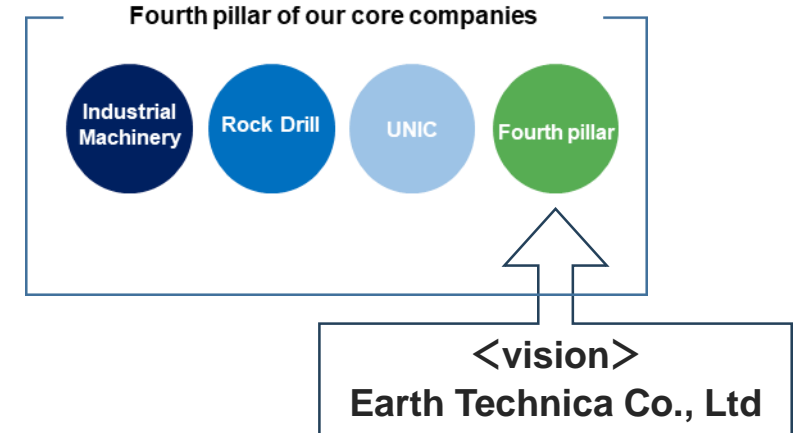
Cumulative total for FY2023-FY2025

- Announced additional share buyback of up to ¥10 billion or 7 million shares by February 2026
- Revised allocation policy to reflect cash inflows from the reduction of strategic shareholdings



■ The basic policy for investment in alliances and M&As

- Consider alliances and M&As with peripheral companies that fill the gaps in our business and create continuity, as well as with companies that will form the fourth pillar of our core Machinery business



● Earth Technica Co., Ltd

- wholly owned subsidiary of Kawasaki Heavy Industries, Ltd.
- Excellent technical capabilities, high productivity, an extensive product lineup, and a strong sales and service network, mainly in the crusher division.
- They also contribute to the protection of the global environment through the environmental recycling sector, which has grown to become a major field.

■ Envisioning the establishment of a fourth pillar in our core machinery business



Commencement of discussions for subsidiary conversion

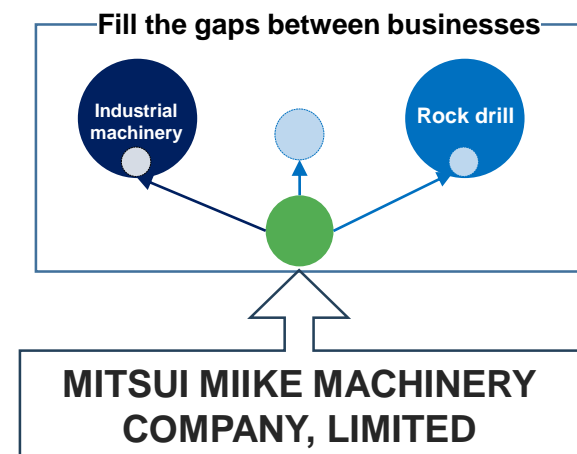
- May 13, 2025: Execution of a basic agreement with Kawasaki Heavy Industries, Ltd. to begin discussions
- Late December 2025 (Planned): Execution of the final agreement
- April 1, 2026 (Planned): First stage of the share transfer (Conversion into a consolidated subsidiary).
- April 1, 2027 (Planned): Second stage of the share transfer (Conversion into a wholly owned subsidiary).

■ The basic policy for investment in alliances and M&As

- Consider alliances and M&As with peripheral companies that fill the gaps in our business and create continuity, as well as with companies that will form the fourth pillar of our core Machinery business

● MITSUI MIKE MACHINERY COMPANY, LIMITED

- Engaged in the manufacture and sale of industrial machinery and equipment, mainly material handling machinery
- Handles products related to the Group's industrial machinery and rock drill machinery segments.



Conversion into an equity-method affiliate

Acquired shares representing 20% of voting rights ratio

- Expect to create continuity by filling in the gaps in our machinery business, which is positioned as our core business, and to generate synergies in terms of sales and production.

<Product complementarity>

	Industrial machinery	MITSUI MIKE MACHINERY COMPANY, LIMITED		Rock drill machinery
Synergy	<ul style="list-style-type: none"> • Belt conveyor • Slurry pump 	<ul style="list-style-type: none"> • Belt conveyor • Hydroelectric turbine 	<ul style="list-style-type: none"> • Road header • Twin header 	<ul style="list-style-type: none"> • Tunnel-related products
Fill the gaps	Capable of providing a full range of machinery for crushing plants Extraction ⇒ Transport ⇒ Crushing ⇒ Classification ⇒ Transport ⇒ Cargo Handling			
Exploration of new demand	—	<ul style="list-style-type: none"> • Bulk handling system • Power transmission business • Precision equipment business 		—

Comparison Between FY2025 Forecast and FY2025 Image

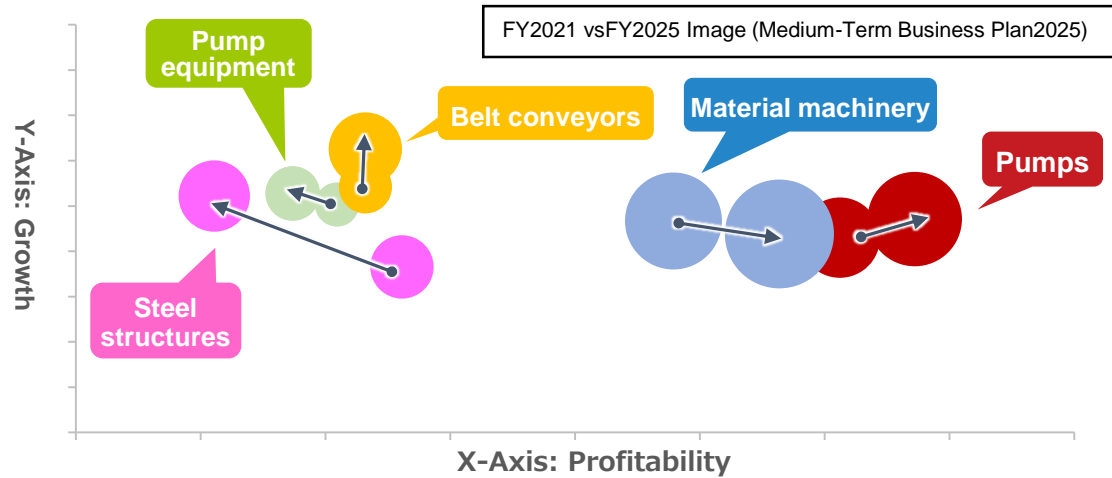


(Unit: Million yen)

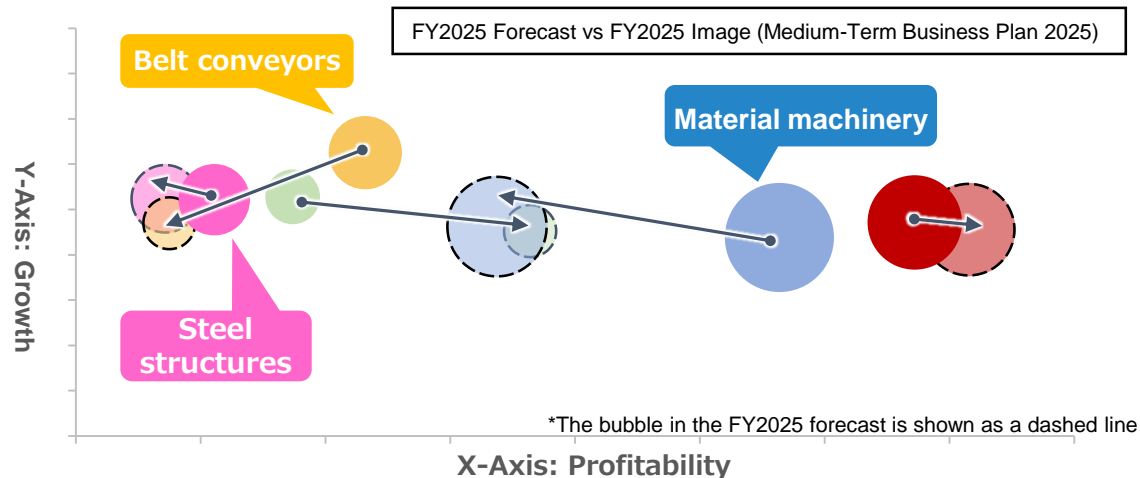
Operating profit	FY2025 Forecast	FY2025 Image	Difference
Machinery	6,500	10,700	(4,200)
Industrial	2,300	3,000	(700)
Rock Drill	2,200	3,700	(1,500)
UNIC	2,000	4,000	(2,000)
Materials	(100)	1,900	(2,000)
Metals	(1,300)	500	(1,800)
Electronics	500	700	(200)
Chemicals	700	700	0
Real Estate	700	600	100
Other/Adjustment	(100)	(200)	-
Total	7,000	13,000	(6,000)

*FY2025 Forecast were announced on May 13, 2025

Business (product) portfolio as Announced in Medium-Term Business Plan 2025



Business (Product) Portfolio Based on FY2025 Forecast



For the basic strategies and key priorities of the Medium-Term Business Plan 2025, please refer to pages 16–17 of the "Medium-Term Business Plan 2025"

Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

Material machinery

- Orders have been sluggish due to intensified competition driven by weak market conditions in the crush stone industry
- Despite targeting a broad range of customers in Western Japan, we struggled to generate results
- Concentrate sales resources on major clients with significant regional influence
- To build a business model leveraging IoT, we began offering services to selected customers starting in FY2025
-> By analyzing collected data and applying our accumulated expertise, we aim to broaden our service offerings and create sustainable value

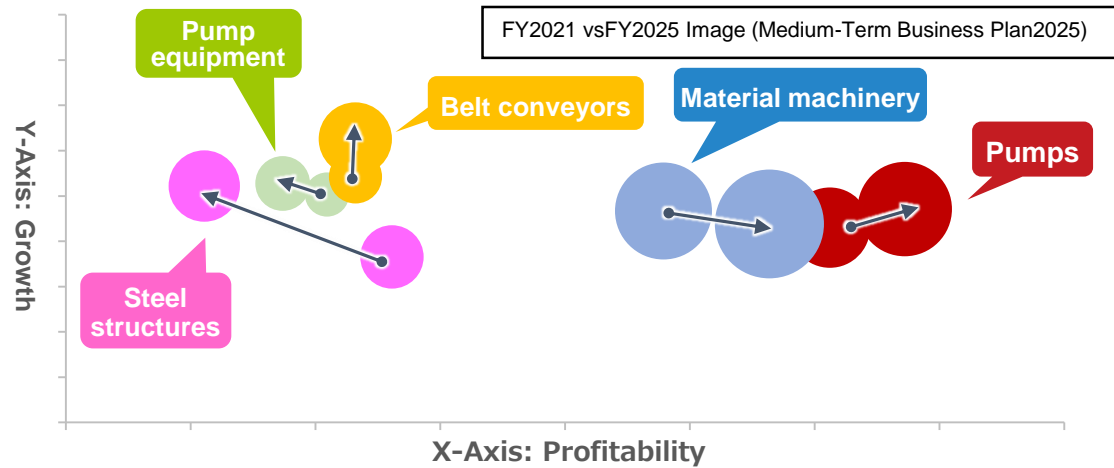
Steel structures

- Enhance our technical proposal capabilities and construction performance ratings to improve our success rate in bidding projects and ensure stable earnings
- Promote the expansion of steel bridge fabrication and the sales of steel segments to general contractors and other bridge manufacturers

Belt conveyors

- Inquiries are increasing for tunnel construction, dam-related projects, and river flood control work. However, due to delays in project commissioning, the timing of order intake has been pushed back, resulting in sluggish performance
- To stabilize order volume and earnings, we aim to secure large-scale projects for which we have received inquiries, while also actively pursuing medium-sized projects, including those from the private sector
- Achieve cost reduction and shorter delivery times for enclosed hanging conveyors SICON® through domestic sourcing and production

Business (product) portfolio as Announced in Medium-Term Business Plan 2025

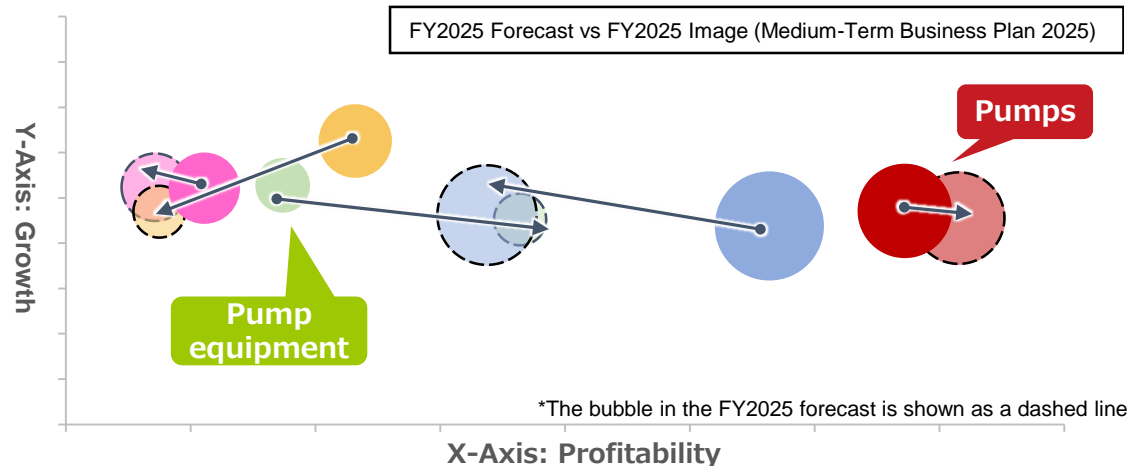


Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

● Pumps

- Parts sales are in line with expectations
- Strategic slurry pumps (LK3) have been introduced to the nonferrous and chemical industries, where recurring business is expected. Strengthened sales efforts in the Chugoku and Shikoku regions have led to increased replacement of competitor products
- Efforts to uncover overhaul demand for sewage pumps used in sewage treatment plants have proven successful
- While continuing to replace competitor equipment, we aim to expand our market share in the semiconductor and electronic components industries
- With the growing number of aging sewage treatment plants that have been in operation for over 30 years, demand for both replacement and parts is expected to increase more than ever before

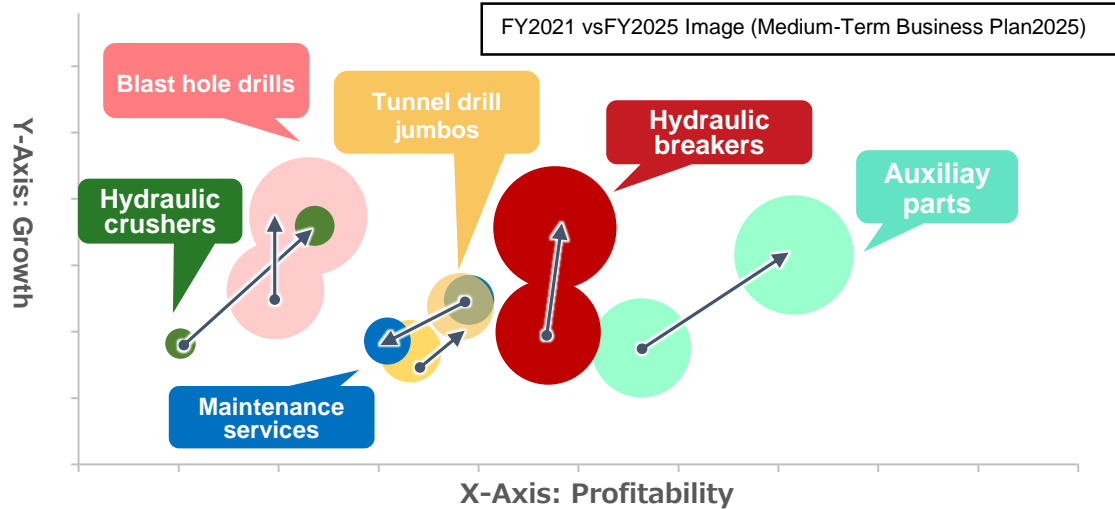
Business (Product) Portfolio Based on FY2025 Forecast



● Pump equipment

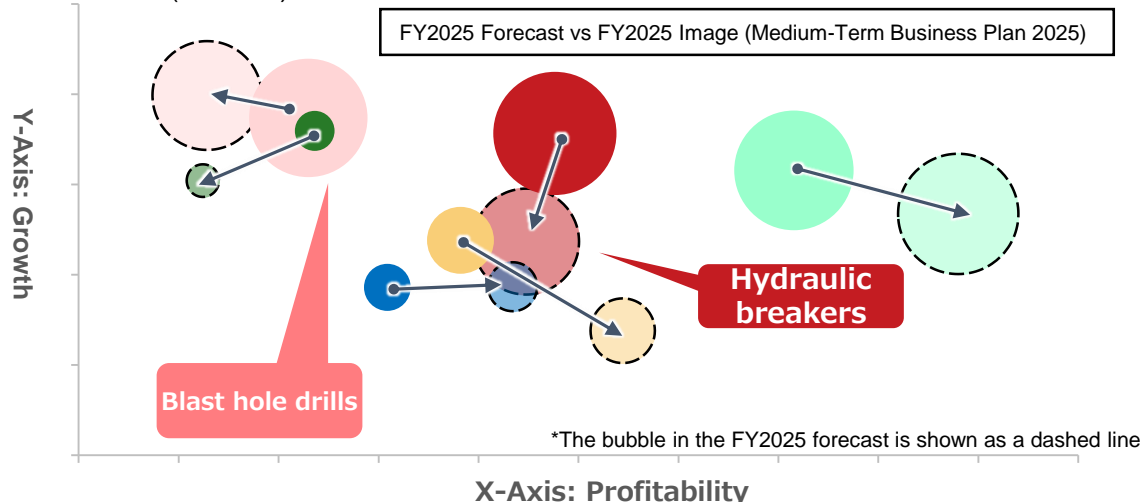
- Through the reinforcement of sales and technical personnel, we expanded our order coverage in western Japan and secured contracts from new municipalities during the previous fiscal year
- Continue driving expansion efforts to secure sustainable orders

Business (product) portfolio as Announced in Medium-Term Business Plan 2025



Foreign exchange assumptions: FY2021: ¥112.4/USD, FY2023: ¥144.6/USD, FY2025 image: ¥135.0/USD

Business (Product) Portfolio Based on FY2025 Forecast



Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

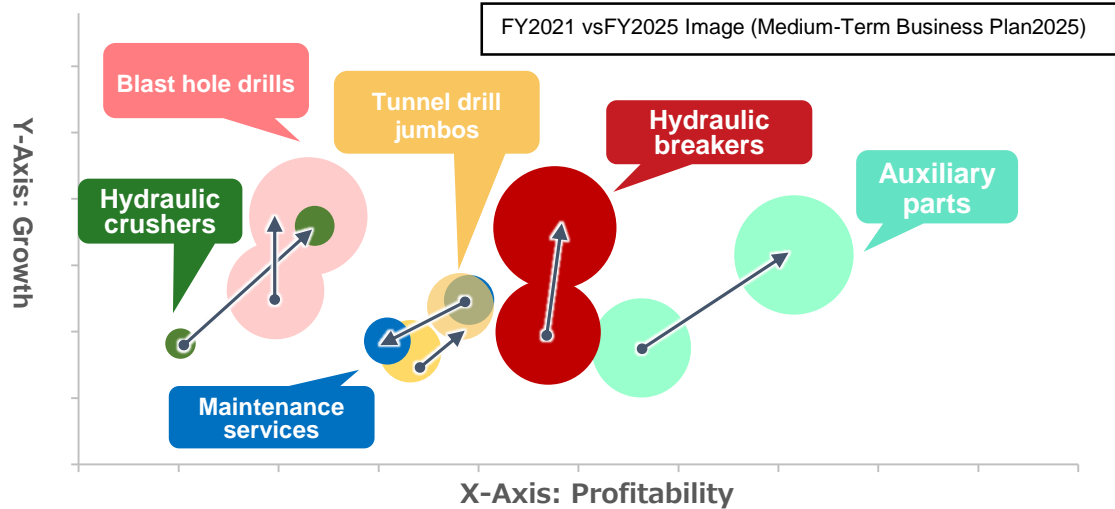
● Blast hole drills* *General term for hydraulic/pneumatic crawler drills, down-the-hole drills, and attachment drills

- A lull in North American demand, combined with economic uncertainty stemming from U.S. policies, led to a decline in shipments
- Centralized production and sales in North America are being steadily advanced
- In Southeast Asia, sales revenue is trending upward, driven by strengthened sales efforts aimed at developing the crushed stone market as our third key market
- Having established a new base in FY2023, we are beginning to see results in developing the western North American region and will further strengthen our efforts
- In Eastern North America, expanding into untapped markets remains a key challenge. We are working to broaden our sales channels

● Hydraulic breakers

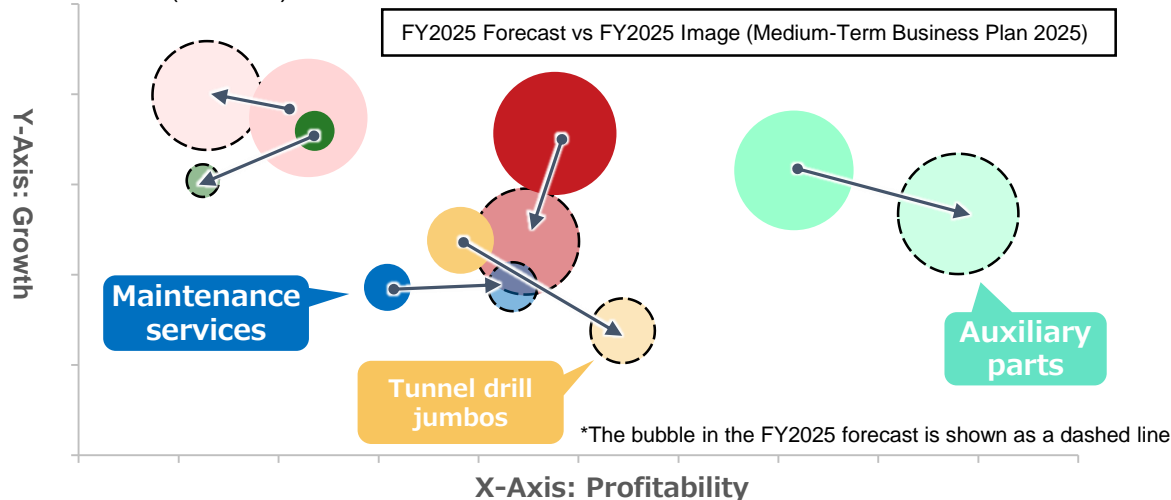
- A decline in shipments due to the slowdown in our key market, North America
- Shipments in Europe are also declining due to the prolonged economic downturn following Russia's invasion of Ukraine
- Focusing on expanding sales of high-margin large and super-large machines
- Expanding sales channels beyond the major European markets—France, the UK, Italy, and Germany—to regions such as Eastern Europe

Business (product) portfolio as Announced in Medium-Term Business Plan 2025



Foreign exchange assumptions: FY2021: ¥112.4/USD, FY2023: ¥144.6/USD, FY2025 image: ¥135.0/USD

Business (Product) Portfolio Based on FY2025 Forecast



Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

● Tunnel drill jumbos

- While shipments are declining due to the peak of large tunnel construction projects, profitability is improving thanks to high value-added products such as fully automated drill jumbos, and profit levels are progressing as expected

● Maintenance services

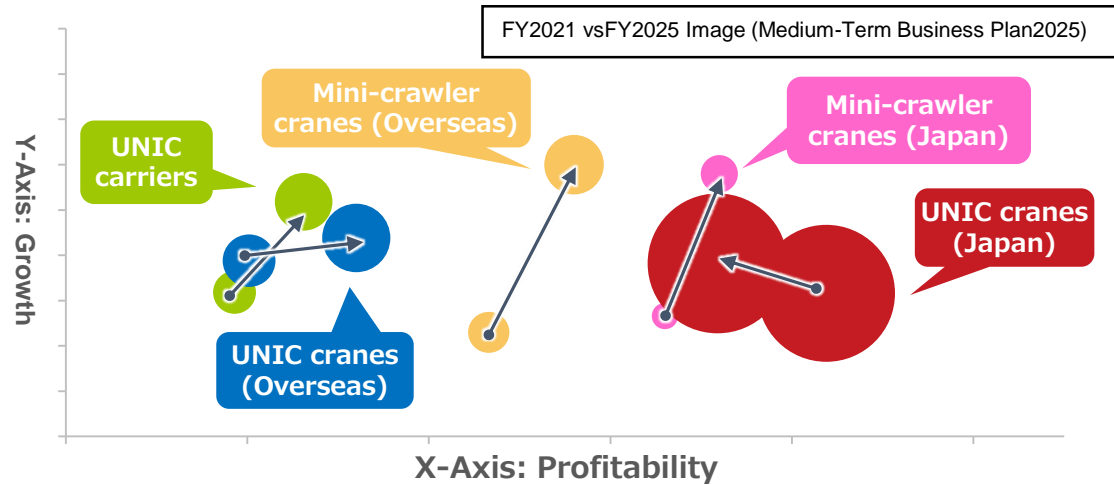
- Around 80% of domestic maintenance involves tunnel drill jumbos, and the launch of high value-added products has led to increased demand for maintenance services
- Contracts for the hydraulic crawler drill operation support program are steadily increasing
- *Customer productivity support program (FD-CARE Drill Operation)
Operation data delivery service (FD-CARE Report Delivery)

- Further enhance our service programs through digital transformation (DX)

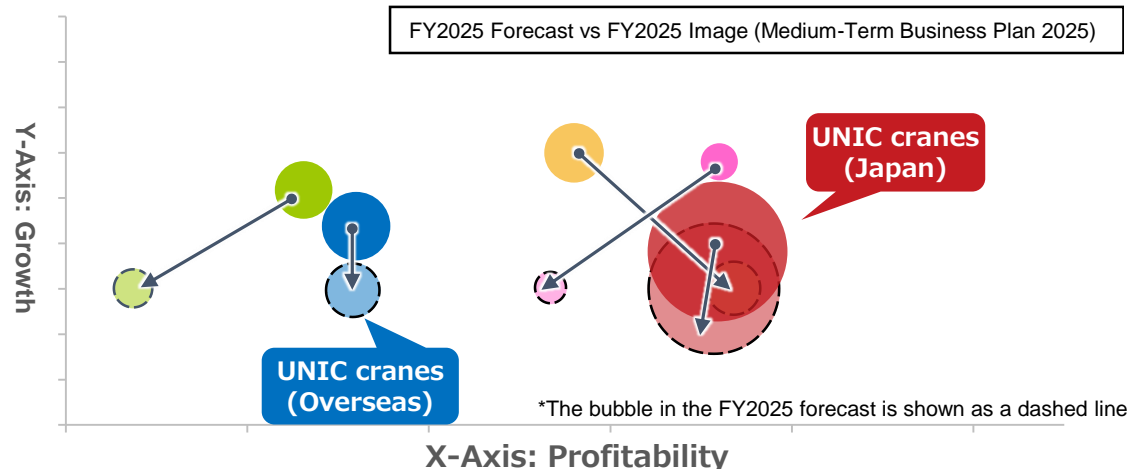
● Auxiliary parts

- Sales expansion in key regions both in Japan and overseas has been successful
- Profitability improved following a revision of component pricing

Business (product) portfolio as Announced in Medium-Term Business Plan 2025



Business (Product) Portfolio Based on FY2025 Forecast



For the basic strategies and key priorities of the Medium-Term Business Plan 2025, please refer to pages 20–21 of the "Medium-Term Business Plan 2025"

Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

● UNIC cranes

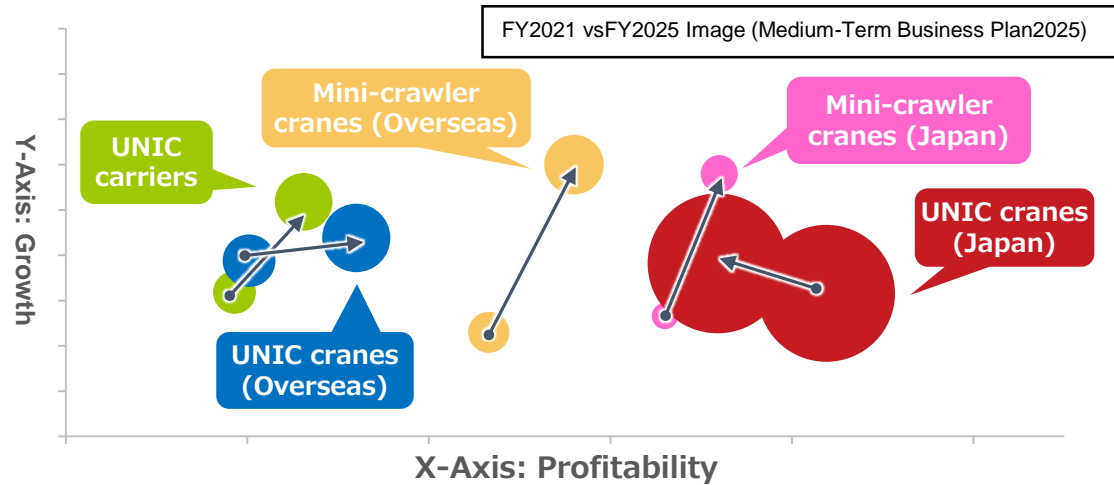
Japan

- Due to ongoing constraints in the production capacity of body fabricators involved in truck manufacturing, the recovery of truck supply has been slower and more volatile than initially anticipated
- Truck sales experienced a temporary slowdown due to preparations for the rollout of new models
- Sales have been affected by delays in capital investment by logistics providers, driven by soaring fuel costs and the so-called '2024 problem'
- We strive to maintain and improve profitability by appropriately reflecting rising raw material costs in our pricing

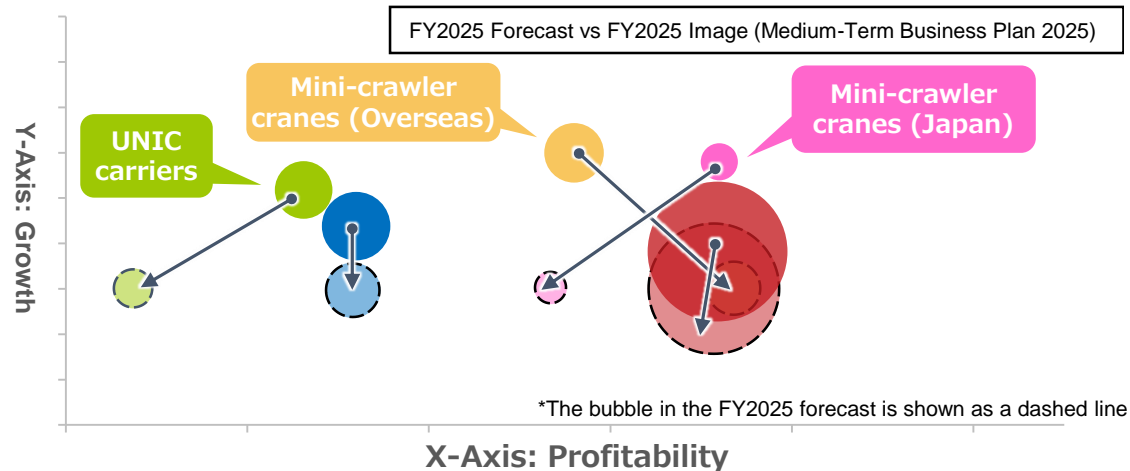
Overseas

- Market conditions in Asia are rapidly deteriorating
Vietnam: Limited truck supply China: Continued weakness in the real estate market
- Concerns remain that US tariffs will inevitably affect Asian economies, potentially leading to sluggish sales
- Sales expansion in the Middle East and for large and super-large machines is progressing as planned
- Enhancing product functionality to attract new customers and strengthen our sales network
- Actively expanding sales in the Middle East, where the impact of tariff issues remains relatively limited

Business (product) portfolio as Announced in Medium-Term Business Plan 2025



Business (Product) Portfolio Based on FY2025 Forecast



For the basic strategies and key priorities of the Medium-Term Business Plan 2025, please refer to pages 20–21 of the “Medium-Term Business Plan 2025”

Reasons for the Gap Between the FY2025 Forecast and FY2025 Image, and Countermeasures

● Mini-crawler cranes

Japan

- Although the market size has been expanding due to efforts to develop new markets, such as steel tower construction projects, raising awareness within the industry remains a challenge

- Strengthen product approach to accelerate market development and dissemination

Overseas

- North America: Gradual increase in large machine sales
- Europe: Sales stagnated due to delayed launch of new models and lack of differentiation from competitors

- Advance product improvements to facilitate market restructuring
- Expand our sales network to attract new customers

● UNIC carriers

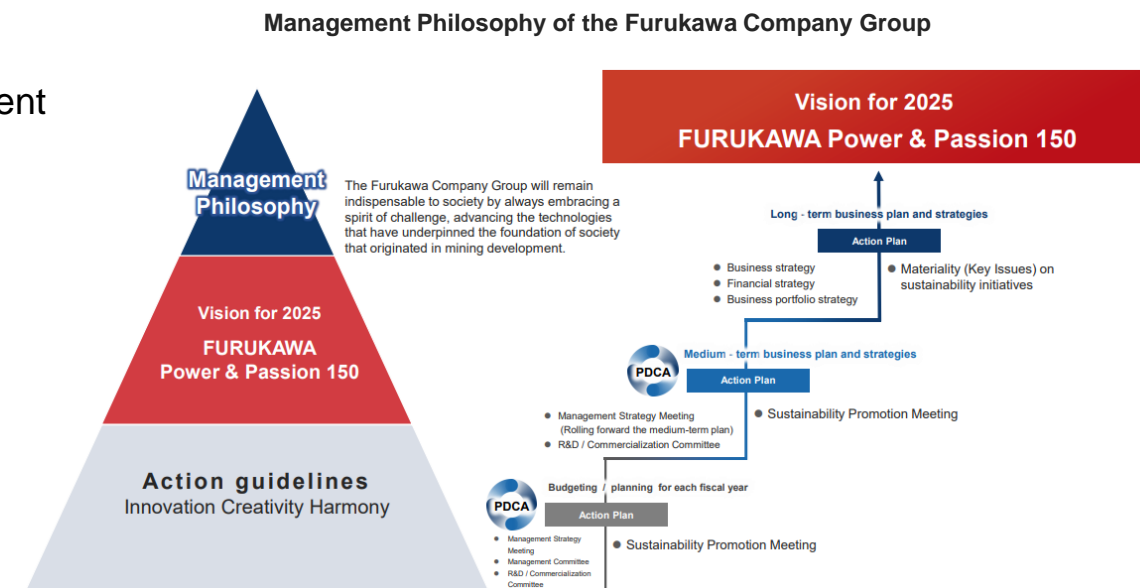
- Despite efforts to shorten delivery times by increasing production capacity, the supply from truck manufacturers remains unstable

- Package differentiating features to improve product value
- Maintain profitability by adjusting selling prices to reflect rising raw material costs

■ Review of the Management Philosophy Framework

- In 2015, on our 140th anniversary, we introduced a new management philosophy and a long-term vision for the next decade

Considering a Review of the Management Philosophy Framework



■ Long-Term Vision and Medium-Term Business Plan

- FY2025: The Final Year of Our Long-Term Vision, 'Vision for 2025'

New Long-Term Vision Under Consideration,
Scheduled for Announcement in November 2025

Our basic policy of positioning the machinery business as our core growth driver remains unchanged

Next Medium-Term Business Plan Based on the New Long-Term Vision
– Scheduled for Release in May 2026

[State of Capital Investment (Consolidated)]

(Unit: Million yen)

Capital Investment	FY2022	FY2023	FY2024	FY2025 (Forecast)
Machinery	2,125	4,430	2,723	2,600
Industrial	912	2,547	418	200
Rock Drill	708	1,025	1,266	1,500
UNIC	504	857	1,038	900
Materials	1,571	1,581	1,447	1,600
Other	489	2,001	3,486	1,800
Total	4,187	8,013	7,657	6,000

Increase due to the establishment of new medical waste disposal facilities (Expansion of incinerator, total approx. ¥2.8 billion from FY2022 to FY2023) at Gunma Kankyo Recycle Center Co., Ltd., etc.

Construction of the (crane) mounting factory in Nagano Prefecture, etc. (Approx.¥0.4 billion)

Construction of disaster prevention check dams at Oita Mining in the Metals segment, etc.
Renewal of sulfuric acid manufacturing equipment in the Chemicals segment, etc.

Renewal of facilities at Oita Mining and others in the Metals segment, etc.
Renewal of sulfuric acid manufacturing equipment in the Chemicals segment, etc.

Acquisition of a rental building in Osaka in the real estate business (approx.¥1.2 billion in the FY2023, approx. ¥2.0 billion in the FY2024)

[State of Depreciation and Amortization (Consolidated)]

Depreciation and amortization	4,114	4,387	4,835	5,000
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[State of Research and Development Expenses (Consolidated)]

Research and development expenses	1,508	1,314	1,287	1,400
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[State of Metal Products, Foreign Exchange Rate (Consolidated)]

		FY2022	FY2023	FY2024	FY2025 (Forecast)
Overseas market price of copper (Average)	¢/pound	387.9	379.3	425.0	408.2
	\$/ton	8,551	8,362	9,370	9,000
JPY rate per US\$ (Average)		135.47	144.62	152.57	145.00

Production and marketing of Furukawa Metals & Resources Co., Ltd.	FY2022	FY2023	FY2024	FY2025 (Forecast)
Copper production (t)	70,186	48,262	45,775	45,076
Copper sale volume (t)	74,070	53,505	46,039	45,800

<About copper production>

- Production volume is expected to decrease due to terminated entrusted smelting contract with Onahama Smelting and Refining Co., Ltd. on March 31, 2023.
It will be produced only by Hibi Kyodo Smelting Co., Ltd., which is another contractor.

[State of Employee (Consolidated)]

	End of Mar. 2023	End of Mar. 2024	End of Mar. 2025	VS End of Mar. 2024
Number of consolidated employee (Persons)	2,831	2,855	2,908	53

References



[Consolidated Financial Results]

(Unit: Million yen)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Net sales	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702	199,097	214,190	188,255	201,216	193,000
Operating profit	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592	7,734	9,031	8,524	9,763	7,000
Ordinary profit	111	1,231	1,268	2,763	6,150	6,603	6,227	7,202	8,105	8,235	8,135	6,773	8,996	9,348	10,384	9,705	7,000
Profit attributable to owners of parent	585	563	(1,659)	2,976	3,976	9,793	5,056	4,254	4,774	4,654	4,431	7,468	6,477	6,211	16,097	18,619	5,000

Segment Performance

[Net sales]

(Unit: Million yen)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Machinery	44,313	47,025	53,198	56,852	71,111	75,990	72,232	66,803	73,453	77,580	82,691	68,635	76,938	81,658	82,085	86,301	88,800
Industrial	12,783	10,655	12,949	12,894	18,527	16,712	14,926	14,041	15,871	17,971	23,237	16,682	17,723	17,943	15,548	22,213	21,700
Rock Drill	20,386	23,880	24,143	23,305	26,842	30,910	30,076	26,979	30,199	30,372	27,663	24,149	30,910	35,752	38,682	35,003	36,400
UNIC	11,142	12,490	16,105	20,651	25,741	28,367	27,229	25,782	27,381	29,237	31,791	27,804	28,305	27,961	27,853	29,084	30,700
Materials	82,128	92,203	77,917	88,026	90,162	93,270	85,644	78,968	89,987	92,722	79,366	88,203	118,163	126,804	100,388	108,757	97,700
Metals	71,132	79,979	68,114	77,944	78,684	81,513	74,192	67,853	77,334	80,067	67,149	76,094	102,995	111,424	84,712	92,384	80,200
Electronics	5,969	7,147	4,615	4,987	5,381	5,743	5,477	5,816	6,307	6,527	5,506	5,741	7,271	6,926	6,766	6,545	7,600
Chemicals	5,025	5,076	5,187	5,093	6,096	6,013	5,973	5,298	6,344	6,127	6,710	6,367	7,896	8,454	8,908	9,827	9,900
Real Estate	2,043	1,577	1,233	1,058	1,013	2,535	3,045	3,074	3,338	2,999	2,386	2,107	2,115	2,056	1,873	2,071	2,100
Other	854	785	766	753	739	747	876	983	916	814	771	755	1,879	3,671	3,908	4,085	4,400
Paints (*1)	3,692	15,040	14,874	15,078	—	—	—	—	—	—	—	—	—	—	—	—	—
Fuels (*2)	9,893	9,004	9,576	3,770	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702	199,097	214,190	188,255	201,216	193,000

[Operating profit]

(Unit: Million yen)

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Machinery	(3,022)	(566)	1,970	2,923	5,333	6,551	5,882	3,580	5,083	6,567	7,343	3,968	4,679	6,093	5,696	5,980	6,500
Industrial	433	(29)	708	778	1,851	1,711	1,037	104	1,005	2,088	3,208	2,113	1,396	1,515	389	2,206	2,300
Rock Drill	(2,584)	(350)	333	(67)	341	1,225	2,217	897	1,782	1,689	142	(1,324)	1,117	3,030	4,148	2,795	2,200
UNIC	(870)	(186)	928	2,212	3,141	3,614	2,627	2,578	2,295	2,789	3,992	3,180	2,165	1,547	1,158	977	2,000
Materials	3,985	3,044	325	324	1,695	1,770	983	1,870	1,648	1,396	776	1,040	2,349	2,309	2,765	3,169	(100)
Metals	3,224	1,494	308	282	1,503	1,449	1,154	1,738	867	581	301	499	940	1,276	1,945	2,418	(1,300)
Electronics	657	1,279	(234)	(262)	(123)	52	(368)	17	330	407	(35)	161	666	500	212	125	500
Chemicals	104	269	251	304	315	267	197	114	451	406	510	380	743	532	608	625	700
Real Estate	1,128	635	356	219	(43)	776	1,276	1,265	1,339	1,163	735	736	743	835	470	686	700
Other	(376)	(92)	(93)	(63)	(60)	(130)	(72)	(126)	(196)	(147)	(94)	(82)	17	(133)	(293)	15	0
Paints (*1)	(19)	(93)	(329)	65	—	—	—	—	—	—	—	—	—	—	—	—	—
Fuels (*2)	(29)	(56)	(13)	(28)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment	(69)	(49)	(60)	(78)	(39)	(42)	(80)	(44)	(55)	(64)	(68)	(71)	(54)	(73)	(114)	(89)	(100)
Total	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592	7,734	9,031	8,524	9,763	7,000

*1 Withdrew from the Paints business by transferring shares of Tohpe Corporation in March 2013.

*2 Withdrew from the Fuels business by transferring shares of Furukawa Commerce Co., Ltd. in October 2012.

Notice: By applying "Accounting standards for disclosure of segment information, etc." (FY2012), we replace and display the figure for FY2011.

LME copper price (US\$/ton)	6,101	8,139	8,485	7,855	7,104	6,554	5,215	5,154	6,444	6,341	5,860	6,879	9,691	8,551	8,362	9,370	9,000
JPY rat per US\$	92.85	85.71	79.07	83.10	100.24	109.93	120.13	108.42	110.85	110.91	108.74	106.06	112.38	135.47	144.62	152.57	145.00

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