

FURUKAWA

FURUKAWA CO., LTD.

Financial Results Briefing for the Second Quarter Ended September 30, 2021

November 26, 2021

Event Summary

[Company Name]	FURUKAWA CO., LTD.
[Company ID]	5715-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Financial Results Briefing for the Second Quarter Ended September 30, 2021
[Fiscal Period]	FY2021 Q2
[Date]	November 26, 2021
[Number of Pages]	23
[Time]	10:00 – 10:31 (Total: 31 minutes, Presentation: 31 minutes, Q&A: 0 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	1 Minoru Nakatogawa President and Representative Director

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Presentation

Nakatogawa: I am the President of FURUKAWA Co., Ltd., Nakatogawa.

In order to prevent the spread of COVID-19, we have decided to cancel the financial results briefing for Q2 of the fiscal year ending March 31, 2022, which was scheduled to be held. Instead, we decided to provide our explanations via video recording. Thank you for your understanding.

First of All



Greetings from President & Representative Director Minoru Nakatogawa.

Before I explain the financial results, I would like to make a few remarks.

In June this year, I took over the traditional position of President of FURUKAWA from former President Miyagawa. In line with our previous management policy, we will provide products and services that are recognized for their value in the marketplace and solve the problems faced by our customers, thereby increasing the corporate value of the Group and achieving sustainable growth.

I will explain the issues to be tackled and the measures to be implemented later, but first I would like to talk about the kind of company I want FURUKAWA to become.

First of all, we are a company that continues to change. Former President Miyagawa has continued to appeal to his employees for change, and he himself has put it into practice. That approach will not change. We believe that change is never-ending and must be continued.

We will work with a sense of speed to promote management that can flexibly respond to unforeseen business environments and market trends, such as the recent pandemic.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



We also want to make the Company a rewarding place to work for our employees. I believe that a company with a good work ethic is one where employees can be actively involved in their work and feel fulfilled in their work.

We recently conducted an employee awareness survey. We will also refer to the results and change what needs to be changed. We want to make our company a bright and cheerful place, where employees can work enthusiastically, and the atmosphere is vibrant.

I believe that management must clearly indicate to employees the direction that the Company should take and put it into practice by the president. We believe that if all of our employees move in the direction we should be heading, our business performance will naturally expand and our corporate value will increase, and we will work diligently to achieve this.

Contents



1. Financial Results for the FY2022 Q2 (Consolidated)

2. Financial Forecasts for the FY2022 (Consolidated)

3. Implemental Measures to Strengthening of the Group's Business Structure

Ref. Medium-term Business Policy 2022 (Supplementary Material)

As for today's presentation, first, I will explain the financial results for Q2 of the fiscal year ending March 31, 2022 and the full-year earnings forecast for the fiscal year ending March 31, 2022. Next, I would like to explain the measures we are taking to strengthen our business structure.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

1. Financial Results for the FY2021 Q2 (Consolidated)



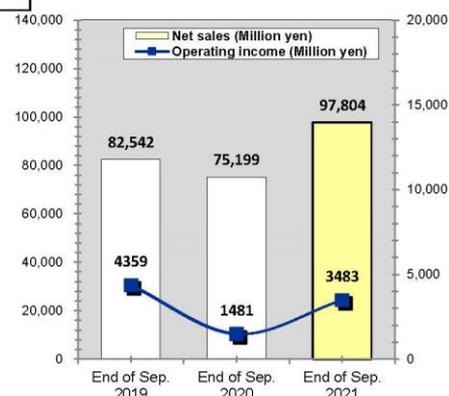
【Financial Results】

		End of Sep. 2020	End of Sep. 2021	Difference	End of Mar. 2021
Net sales	Million Yen	75,199	97,804	22,605	159,702
Operating income	Million Yen	1,481	3,483	2,001	5,592
Operating margin	%	2.0%	3.6%	1.6%	3.5%
Ordinary income	Million Yen	2,168	4,089	1,920	6,773
Profit attributable to owners of parent	Million Yen	4,869	2,311	-2,558	7,468

- Net sales, operating income & ordinary income were increased.
 - Due to recorded gain on sales of investment securities at extraordinary income by 4,071 million yen in the previous year, profit attributable to owners of parent was decreased.

【Financial Conditions】

		End of Mar. 2021	End of Sep. 2021	Difference
Total assets	Million Yen	218,275	217,802	-472
Net assets	Million Yen	94,364	94,323	-40
Capital adequacy Ratio	%	42.0	42.1	0.0



This is a summary of the financial results for Q2 of the current fiscal year.

Net sales increased by JPY22.6 billion to JPY97.8 billion, and operating income increased by JPY2 billion to JPY3.4 billion. However, compared to the previous quarter, when a JPY4.071 billion gain on sales of investment securities was recorded as extraordinary income, profit attributable to owners of the parent decreased by JPY2.5 billion to JPY2.3 billion.

The details will be explained later.

Support

Japan 03.4405.3160
 Tollfree 0120.966.744

North America 1.800.674.8375
 Email Support support@scriptasia.com



Financial Results by Segment (Consolidated)



(Unit: Million yen)

Net Sales	FY2021 Q2	FY2022 Q2	Difference
Machinery	32,983	38,650	5,667
Industrial	7,642	8,632	989
Rock Drill	11,659	15,412	3,753
U N I C	13,681	14,606	925
Materials	40,756	57,756	17,000
Metals	35,249	50,335	15,085
Electronics	2,476	3,584	1,108
Chemicals	3,030	3,836	806
Real Estate	1,043	1,036	-6
Other	415	360	-54
Total	75,199	97,804	22,605

	FY2021 Q2	FY2022 Q2	Difference
LME Copper Price	5,931\$/ton	9,541\$/ton	3,610\$/ton
JPY rate per US\$	106.9yen/\$	109.8yen/\$	2.9yen/\$

Backlog of orders in the Industrial Machinery Segment			
	End of Sep. 2020	End of Sep. 2021	Difference
Backlog of orders	9.4 Billion	9.1 Billion	-0.3 Billion

Operating Income	FY2020 Q2	FY2021 Q2	Difference
Machinery	1,636	2,093	456
Industrial	519	337	-181
Rock Drill	-512	404	916
U N I C	1,629	1,351	-278
Materials	-443	1,091	1,534
Metals	-458	452	911
Electronics	-105	228	334
Chemicals	120	410	289
Real Estate	364	361	-2
Other	-55	-30	25
Adjustment	-20	-32	-12
Total	1,481	3,483	2,001

	FY2021 Q2	FY2022 Q2	Difference
Operating income	¥450 million	¥450 million	¥910 million
Include price effects	¥210 million	¥740 million	¥520 million
Copper	(¥120 million)	(¥620 million)	(¥740 million)
Gold	(¥290 million)	(¥80 million)	(¥210 million)

Backlog of orders in the Industrial Machinery Segment

	End of Sep. 2020	End of Sep. 2021	Difference
Backlog of orders	9.4 Billion	9.1 Billion	-0.3 Billion

- Constructing a new bridge of Yamashiro Sports Park Joyo Line (Kyoto Prefecture)
- Sealed hanging conveyor (SICON®) for the construction of the Chuo Shinkansen 1st metropolitan area tunnel(Kitashinagawa Industrial Zone).
- Sealed hanging conveyor (SICON®) for the construction of the Shin-Kobotoke tunnel on the chuo Expressway. Etc.

Impact of metal price fluctuations on operating profit in the Metals segment

	FY2021 Q2	FY2022 Q2	Difference
Operating income	¥450 million	¥450 million	¥910 million
Include price effects	¥210 million	¥740 million	¥520 million
Copper	(¥120 million)	(¥620 million)	(¥740 million)
Gold	(¥290 million)	(¥80 million)	(¥210 million)

FURUKAWA COMPANY GROUP

5

As for the business results by segment for Q2 of the current fiscal year, net sales increased in both the machinery and materials businesses. The machinery business as a whole increased by JPY5.6 billion to JPY38.6 billion. The materials business as a whole increased by JPY17 billion to JPY57.7 billion.

Operating income increased with the exception of the Industrial Machinery, UNIC Machinery segment, and the Real Estate business. The machinery business as a whole increased by JPY400 million to JPY2 billion. The materials business as a whole increased by JPY1.5 billion to JPY1 billion.

For reference, the backlog of orders in the Industrial Machinery segment is JPY9.1 billion, and in addition to new bridge construction in Kyoto Prefecture, we have received orders for belt conveyors and other equipment for the construction of the tunnels for the central linear shinkansen in Shinagawa Ward and the Shin-Kobotoke Tunnel on the Chuo Expressway.

The impact of metal price fluctuations on operating income in the Metals segment was a positive JPY620 million for copper and a positive JPY80 million for gold, resulting in a profit of JPY740 million due to price impact.

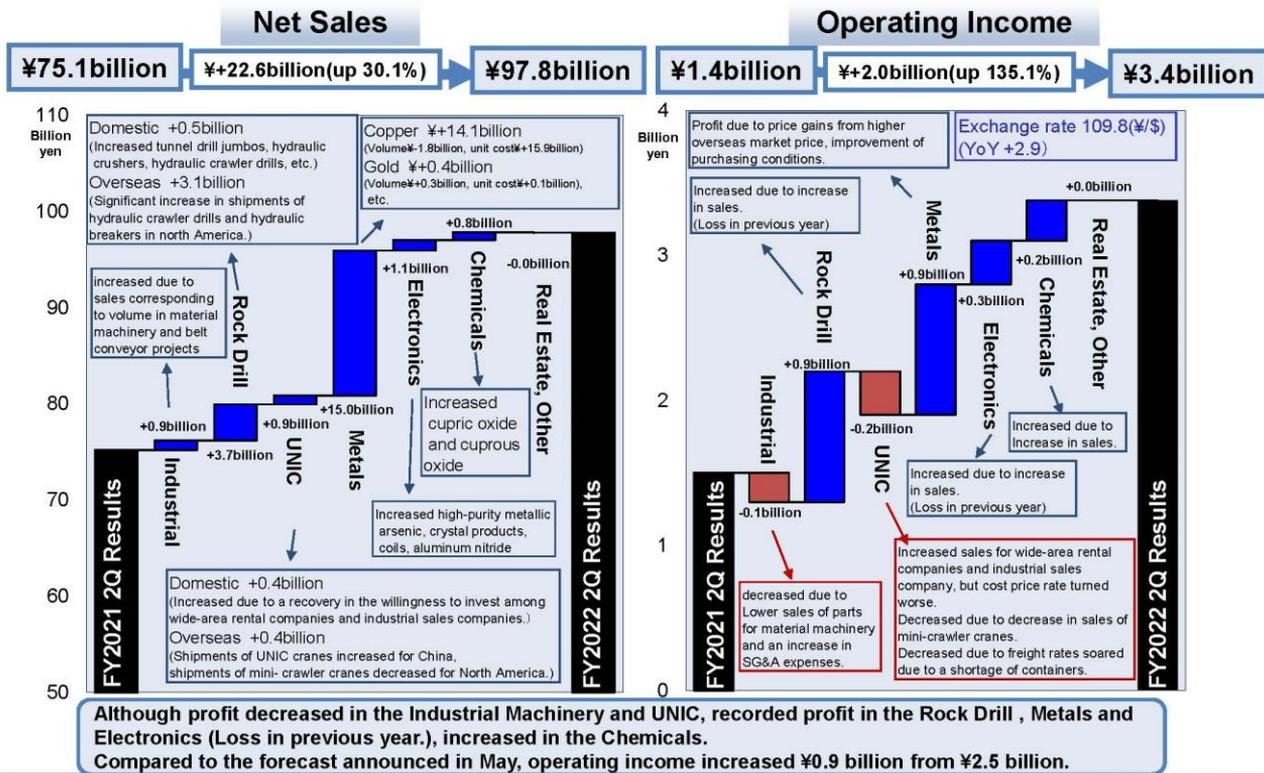
Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



Increase/Decrease in Earnings by Segment (Consolidated)



FURUKAWA COMPANY GROUP

6

Next, I will explain the YoY increase/decrease in net sales and operating income by segment and the main factors behind this change.

In the Industrial Machinery segment, sales increased due to sales corresponding to volume in material machinery and belt conveyor projects. However, profits decreased due to lower sales of parts for material machinery and an increase in SG&A expenses.

In the Rock Drill Machinery segment, both sales and profits increased as a result of higher sales of tunnel drill jumbos, hydraulic crushers, and hydraulic crawler drills in Japan, and a significant increase in shipments of hydraulic crawler drills and hydraulic breakers overseas, mainly for North America.

In the UNIC Machinery segment, domestic sales increased due to a recovery in the willingness to invest among wide-area rental companies and industrial sales companies, which had restrained capital investment in the previous fiscal year. Overseas, although shipments of UNIC cranes increased for China, shipments of mini-crawler cranes decreased for North America due to a delayed market recovery caused by a shortage of building materials, and freight rates soared due to a shortage of containers, resulting in increased sales and decreased profits. In absolute amounts, operating income was JPY1.3 billion, leading the machinery business.

The Metals segment achieved a significant increase in both sales and profits, mainly due to a significant rise in the price of electrolytic copper. Excluding the JPY700 million profit from price impact, the operating loss will be about JPY300 million.

In the Electronic segment, sales of high-purity metallic arsenic for compound semiconductors were strong, while sales of crystal products and coils for the automotive industry and other applications increased, and demand for aluminum nitride ceramics increased for usage in thermal countermeasure components and for semiconductor manufacturing equipment components. As a result, sales and profits increased.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

In the Chemicals segment, both sales and profits increased, mainly due to higher unit sales prices for both cupric oxide and cuprous oxide, mainly due to higher copper prices and increased demand for cupric oxide for substrates, although demand for cuprous oxide for repair ships decreased due to the effects of COVID.

In the Real Estate business, rent was reduced or exempted for some commercial tenants in commercial facilities due to the impact of COVID but remained at the same level as the same period of the previous year due to an increase in the number of office tenants.

Compared to the forecast announced in May, operating income increased from JPY2.5 billion to JPY3.4 billion.

Consolidated Income Statement			
(Unit: Million yen)			
	FY2021 Q2	FY2022 Q2	Difference
Net sales	75,199	97,804	22,605
Cost of sales	65,282	85,162	19,879
(Gross profit)	9,916	12,642	2,726
Selling, general and administrative expenses	8,434	9,158	724
Operating income	1,481	3,483	2,001
Non-operating income	1,458	1,668	210
Dividend income	489	451	-38
Gain on sales of goods	32	411	378
Other	936	805	-130
Non-operating expenses	771	1,063	291
Interest expenses	234	217	-17
Control cost of Suspended mines	372	432	60
Other	163	412	249
Ordinary income	2,168	4,089	1,920
Extraordinary income	4,090	107	-3,982
Gain on sales of non-current assets	18	28	10
Gain on sales of investment securities	4,071	45	-4,026
Government subsidy income	-	33	33
Extraordinary losses	166	725	559
Loss on revaluation of investment securities	-	176	176
Demolition cost of leasing building	-	466	466
Other	166	82	-83
Profit before income taxes	6,093	3,470	-2,622
Income taxes	1,034	996	-38
Income taxes adjustment	81	35	-46
Profit	4,976	2,439	-2,537
Profit attributable to non-controlling interests	107	128	21
Profit attributable to owners of parent	4,869	2,311	-2,558

Gain on sales of manufacture equipment of scintillator crystal, etc.

Decreased equity in earnings of affiliates, etc.

Recorded head office transfer expenses, foreign exchange losses

Sold investment securities for effective use of assets and restoration financial health in the previous year.

The cost of demolition work progress of the Furukawa Osaka Building.

This is the consolidated income statement.

Major topics are as described here, but operating income and profit attributable to owners of the parent decreased by JPY2.5 billion to JPY2.3 billion. This is due to the fact that the operating income and below were affected by the recording of a gain on the sale of investment securities in the previous fiscal year, which was aimed at the effective use of assets and the improvement of financial soundness, as well as the recording of expenses for the progress of demolition of the FURUKAWA Osaka Building as an extraordinary loss.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

 **SCRIPTS**
Asia's Meetings, Globally

Consolidated Balance Sheet



(Unit: Million yen)

	End of Mar. 2021	End of Sep. 2021	Difference
Assets			
Current assets	88,625	86,785	-1,839
Non-current assets	129,649	131,016	1,367
Property, plant and equipment	89,817	90,941	1,123
Intangible assets	341	366	24
Investments and other assets	39,490	39,709	218
Total assets	218,275	217,802	-472
Liabilities			
Current liabilities	47,839	52,132	4,293
Non-current liabilities	76,071	71,346	-4,725
Total liabilities	123,910	123,478	-432
Net assets			
Shareholders' equity	76,373	76,739	366
Capital stock	28,208	28,208	—
Capital surplus	2	2	—
Retained earnings	50,025	50,392	366
Treasury stock	-1,862	-1,862	-0
Total accumulated other comprehensive income	15,396	14,859	-537
Non-controlling interests	2,594	2,724	130
Total net assets	94,364	94,323	-40
Total liabilities and net assets	218,275	217,802	-472

Decreased cash and cash equivalent, etc..

Increased buildings & structures, land, etc.

Transfer of current portion of long-term loans payable, etc.

Interest-bearing debt (Unit: Million yen)

	End of Mar. 2021	End of Sep. 2021	Difference
Short-term	8,436	9,727	1,291
Long-term	61,246	59,979	-1,266
Total	69,683	69,707	24

This is the consolidated balance sheet.

Total assets decreased by JPY400 million to JPY217.8 billion and net assets decreased by JPY40 million to JPY94.3 billion. Interest-bearing debt was JPY69.7 billion, unchanged from the end of the previous fiscal year.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



2. Financial Forecasts for the FY2022 (Consolidated)



【Financial Forecasts】

(Unit: Million yen)

	FY2021年	FY2022 (Forecasts)	Difference
Net sales	159,702	196,900	37,197
Operating income	5,592	7,500	1,907
Ordinary income	6,773	7,700	926
Profit attributable to Owners of parent	7,468	5,000	-2,468

Annual dividend	50 yen	50 yen	-
-----------------	--------	--------	---

- Net sales, operating income & ordinary income were increased.
- Due to recorded gain on sales of investment securities at extraordinary income by 4,071 million yen in the previous year, profit attributable to owners of parent was decreased.
- ROE forecast fell 3.6 points, to 5.3% (8.9% in the previous year).

	FY2021	FY2022 (Forecasts)	Difference
LME Copper Price	6,879\$/Ton	9,271\$/Ton	2,392\$/Ton
JPY rate per US\$	106.1yen/\$	110.9yen/\$	4.8yen/\$

- Regard to exchange rate sensitivity
- Operating income increase annually about ¥100 million due to ¥1 week to US dollar.
 - Increase about ¥60 million in Machinery business (mainly Rock Drill)
 - Increase about ¥40 million in Metals segment

(Unit: Million yen)

Net sales	FY2021	FY2022 (Forecasts)	Difference
Machinery	68,635	78,400	9,764
Industrial	16,682	18,700	2,017
Rock Drill	24,149	30,200	6,050
U N I C	27,804	29,500	1,695
Materials	88,203	114,700	26,496
Metals	76,094	100,400	24,305
Electronics	5,741	7,000	1,258
Chemicals	6,367	7,300	932
Real estate	2,107	2,100	-7
Other	755	1,700	944
Total	159,702	196,900	37,197

Operating income	FY2021	FY2022 (Forecasts)	Difference
Machinery	3,968	5,600	1,631
Industrial	2,113	1,600	-513
Rock Drill	-1,324	1,000	2,324
U N I C	3,180	3,000	-180
Materials	1,040	1,450	409
Metals	499	450	-49
Electronics	161	350	188
Chemicals	380	650	269
Real estate	736	650	-86
Other	-82	-130	-47
Adjustment	-71	-70	1
Total	5,592	7,500	1,907

Next, I will explain our full-year earnings forecast for the fiscal year ending March 31, 2022.

Net sales have been revised to JPY196.9 billion, operating income to JPY7.5 billion, ordinary income to JPY7.7 billion, and profit attributable to owners of the parent to JPY5 billion.

Net sales and operating income are expected to increase, with operating income for the Machinery business as a whole rising JPY1.6 billion YoY to JPY5.6 billion, accounting for 75% of the consolidated total of JPY7.5 billion.

Ordinary income increased despite a deterioration in non-operating income compared to the previous fiscal year, when foreign exchange gains contributed to the increase. Profit attributable to owners of the parent is expected to decrease compared to the previous fiscal year, when a gain on sales of investment securities was recorded.

As a result, ROE worsened by 3.6 percentage points and is expected to be 5.3% this fiscal year.

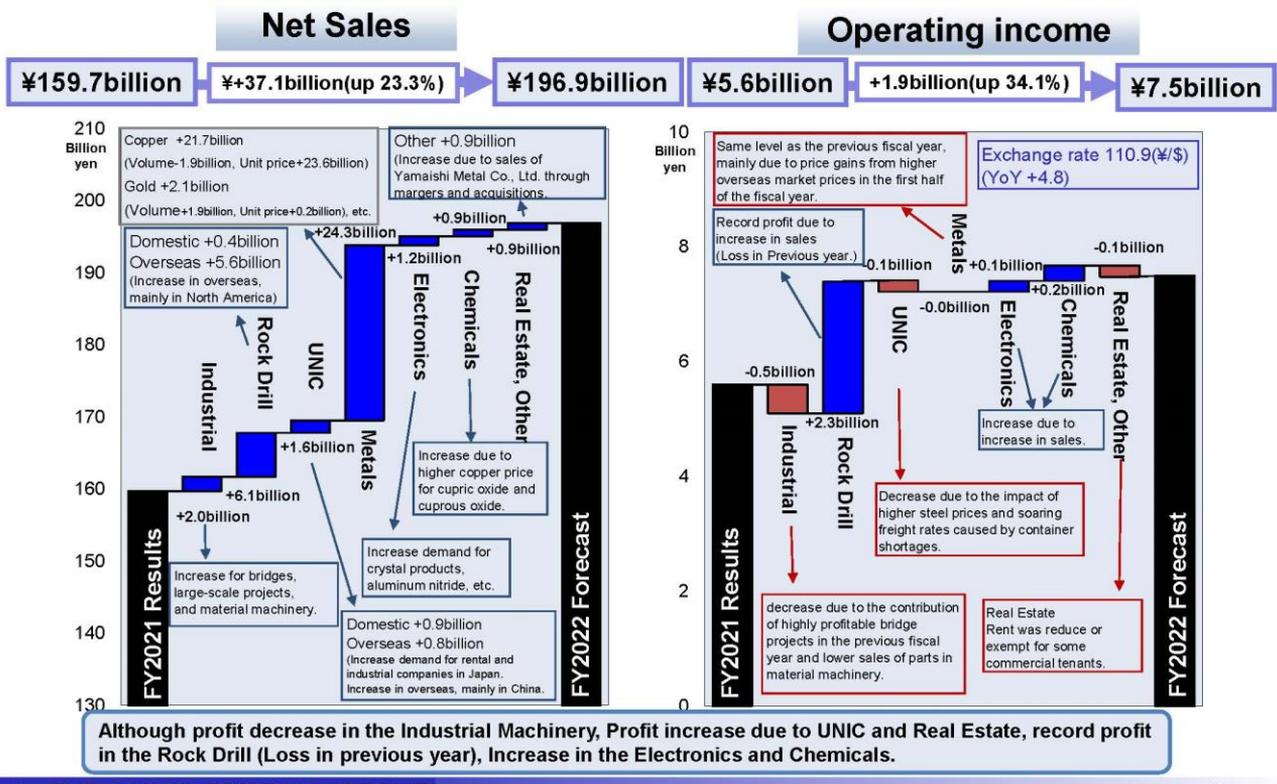
Copper price and exchange rate assumptions and exchange rate sensitivity are described in the table underneath.

The Company plans to maintain the dividend at JPY50 per share.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



This section explains the full-year forecast by segment and the reasons for changes from the previous year's results.

Net sales are expected to increase in all divisions.

Operating income is expected to increase overall, with higher profits expected in the Rock Drill Machinery, Electronics, and Chemicals segments, despite lower profits in the Industrial Machinery, UNIC Machinery, and Real Estate segments.

In the Industrial Machinery segment, sales are expected to increase for bridges, large-scale projects, and material machinery, but operating income is expected to decrease due to the contribution of highly profitable bridge projects in the previous fiscal year and lower sales of parts in material machinery.

The Rock Drill Machinery segment is expected to return to profitability from the previous fiscal year, when it posted an operating loss, due to an expected increase in sales and profits in Japan and overseas, mainly in North America.

Although the UNIC Machinery segment is expected to see an increase in sales both in Japan and overseas, profits are expected to decrease due to the impact of higher steel prices and soaring freight rates caused by container shortages.

In the Metals segment, sales of electrolytic copper increased due to the assumption of copper price of USD9,271 per ton, up USD2,392 from the previous fiscal year. Sales of electric gold are also expected to increase due to higher volume. Operating income is expected to be at the same level as the previous fiscal year, mainly due to price gains from higher overseas market prices in the first half of the fiscal year.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptsasias.com

In the Electronics segment, sales and profits are expected to increase on the assumption of increased demand for crystalline products and aluminum nitride ceramics. The Chemicals segment is expected to increase sales and profits due to higher copper prices for cupric oxide and cuprous oxide.

Revised transition of Financial Forecasts for the FY2022 (Consolidated)



[Net Sales]

	Disclosed May 13, 2021	Disclosed Nov. 11, 2021	Difference
Machinery	76,100	78,400	2,300
Industrial	18,700	18,700	0
Rock Drill	28,300	30,200	1,900
UNIC	29,100	29,500	400
Materials	105,500	114,700	9,200
Metals	92,700	100,400	7,700
Electronics	6,400	7,000	600
Chemicals	6,400	7,300	900
Real Estate	2,100	2,100	0
Other	700	1,700	1,000
Total	184,400	196,900	12,500

(Unit: Million yen)

Precondition (Annual forecast)

	Disclosed May 13, 2021	Disclosed Nov. 11, 2021	Difference
LME Copper Price	8,000 \$/Ton	9,271 \$/Ton	1,271 \$/Ton
JPY rate per US\$	108.0 yen/\$	110.9 yen/\$	2.9 yen/\$

3Q, 4Q forecasts
LME Copper price 9,000\$/Ton
JPY rate per US\$ 112 yen/\$

[Operating Income]

	Disclosed May 13, 2021	Disclosed Nov. 11, 2021	Difference
Machinery	6,300	5,600	-700
Industrial	2,200	1,600	-600
Rock Drill	750	1,000	250
UNIC	3,350	3,000	-350
Materials	-100	1,450	1,550
Metals	-700	450	1,150
Electronics	200	350	150
Chemicals	400	650	250
Real Estate	650	650	0
Other	-180	-130	50
Adjustment	-70	-70	0
Total	6,600	7,500	900

(Unit: Million yen)

Increase/decrease in operating income forecast of Metals (vs Previous forecasts)

Previous forecast (Disclosed May 13)
Operating income ¥-0.7billion

Current forecast (Disclosed Nov. 11)
Operating income ¥+0.45billion

Breakdown of ¥+1.15billion

Consignment margin ¥+0.4billion
→ Decreased smelting consignment expenses due to decreased copper volume.
Increased due to change precondition of LME copper price & JPY rate per US\$.

Price margin ¥+0.8billion
→ Reflected price margin in 1 half.

Next, I would like to explain the difference between the earnings forecast announced in May and the one announced this time.

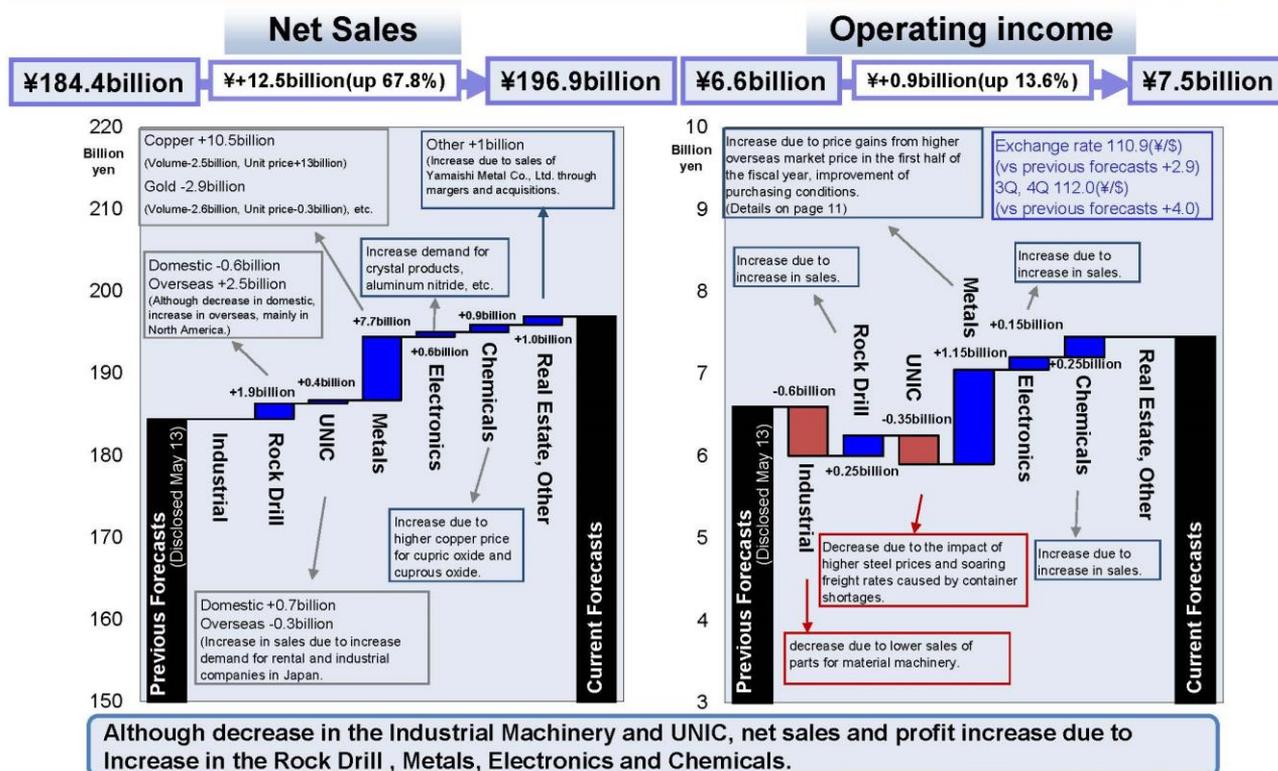
Net sales have been revised upward by JPY12.5 billion to JPY196.9 billion, and operating income has been revised upward by JPY900 million to JPY7.5 billion.

We expect an increase of JPY1.1 billion in the Metals segment, reflecting price gains in the first half of the fiscal year, changes in copper price and foreign exchange assumptions for the second half of the fiscal year, and an improvement in outsourced smelting earnings due to lower copper production.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



The graph shows the forecast by segment and the change from the previous announcement.

In the Industrial Machinery segment, net sales are expected to remain unchanged from the previous announcement, but operating income is expected to decrease due to lower sales of parts for material machinery.

The Rock Drill Machinery segment is expected to increase both sales and profits due to firm demand overseas, especially in North America, despite a slight decrease in sales in Japan.

Although there are concerns about delays in crane erection due to a shortage of trucks, the UNIC Machinery segment expects a slight increase in revenue due to increased demand from wide-area rental companies and industrial sales, but profits are expected to decrease due to higher steel prices and higher freight rates caused by a shortage of containers.

As explained on page 11, we expect a significant increase in both sales and profit in the Metals segment.

In the Electronics segment, sales and profits increased due to strong demand for aluminum nitride ceramics for thermal countermeasure components and semiconductor manufacturing equipment components, as well as stable demand for crystal products and high-purity metallic arsenic.

In the Chemicals segment, sales and profits are expected to increase due to higher sales of cupric oxide and cuprous oxide, mainly as a result of higher copper prices.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptasia.com

State of Capital Investment, Depreciation and Amortization, Research and Development Expenses (Consolidated)



【State of Capital Investment (Consolidated)】

(Unit: Million yen)

Capital Investment	FY2020	FY2021		FY2022	
		(2Q)	(Annual)	(2Q)	(Annual forecasts)
Machinery	4,123		2,637		3,800
Industrial	404		1,253		2,600
Rock Drill	2,782		437		300
UNIC	936		946		900
Material	1,229		827		800
Other	585		679		1,400
Total	5,938	1,295	4,144	3,072	6,000

Increased due to construction of a new office building at Oyama Works.

【State of Depreciation and Amortization (Consolidated)】

Depreciation and amortization	3,589	1,888	3,879	1,931	4,000
-------------------------------	-------	-------	-------	-------	-------

【State of Research and Development Expenses (Consolidated)】

Research and Development Expenses	1,177	632	1,164	738	1,400
-----------------------------------	-------	-----	-------	-----	-------

The forecast for the current fiscal year for actual capital investment, depreciation and amortization, and research and development expenses is as shown.

The amount of capital investments significantly increased in the Industrial Machinery segment in the previous year, mainly due to the construction of a new office building at Oyama Works.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

【State of Metal Products, Foreign Exchange Rate (Consolidated)】

		FY2020	FY2021		FY2022	
			(2Q)	(Annual)	(2Q)	(3Q, 4Q Forecasts)
Overseas market price of copper (Average)	€/pound	265.8	269.0	312.0	432.8	408.2
	\$/ton	5,860	5,931	6,879	9,541	9,000
JPY rate per US\$ (Average)		108.74	106.92	106.06	109.80	112.00

Production and marketing of Furukawa Metals & Resources Co., Ltd.	FY2020	FY2021		FY2022	
		(2Q)	(Annual)	(2Q)	(Annual Forecasts)
Copper output (t)	77,069	37,517	74,386	35,942	72,111
Copper sales volume (t)	83,864	41,515	81,998	38,712	79,408

<About copper production>
 we have been reviewing our consignment ratio at the joint smelter and have been gradually reducing our copper production from 88,004 tons per year in FY2018. In FY2023, we are on track to reduce the amount to at least 70,000 tons per year.

【State of Employee (Consolidated)】

	End of Mar. 2020	End of Mar. 2021	End of Sep. 2021	vs End of Mar. 2021
Number of consolidated employee (Persons)	2,755	2,752	2,824	72

The status of metal products, foreign exchange rates, and employees is as described.

In the Metals segment, we have been reviewing our consignment ratio at the joint smelter and have been gradually reducing our copper production. In FY2023, we are on track to reduce the amount to at least 70,000 tons per year.

Support

Japan 03.4405.3160
 Tollfree 0120.966.744

North America 1.800.674.8375
 Email Support support@scriptasia.com

Long-term Performance



(Consolidated Financial Results)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales	213,426	161,857	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702
Operating income	14,407	2,303	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592
Ordinary income	12,940	993	111	1,231	1,268	2,763	6,150	6,603	6,227	7,202	8,105	8,235	8,135	6,773
Profit attributable to owners of parent	8,595	-5,917	585	563	-1,659	2,976	3,978	9,793	5,056	4,254	4,774	4,654	4,431	7,468

Segment Performance

(Net Sales)	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Machinery	75,841	62,639	44,313	47,025	53,198	56,852	71,111	75,990	72,232	66,803	73,453	77,580	82,691	68,635
Industrial	17,331	15,836	12,783	10,655	12,949	12,894	18,527	16,712	14,926	14,041	15,871	17,971	23,237	16,682
Rock Drill	37,497	29,427	20,386	23,880	24,143	23,305	26,842	30,910	30,076	26,979	30,199	30,372	27,663	24,149
UNIC	21,012	17,375	11,142	12,490	16,105	20,651	25,741	28,367	27,229	25,782	27,381	29,237	31,791	27,804
Materials	112,796	80,175	82,128	92,203	77,917	88,026	90,162	93,270	85,644	78,968	89,987	92,722	79,366	88,203
Metals	97,519	68,786	71,132	79,979	68,114	77,944	78,684	81,513	74,192	67,853	77,334	80,067	67,149	76,094
Electronics	8,751	5,568	5,969	7,147	4,615	4,987	5,381	5,743	5,477	5,816	6,307	6,527	5,506	5,741
Chemicals	6,525	5,820	5,025	5,076	5,187	5,093	6,096	6,013	5,973	5,298	6,344	6,127	6,710	6,367
Real estate	2,758	2,386	2,043	1,577	1,233	1,058	1,013	2,535	3,045	3,074	3,338	2,999	2,386	2,107
Other	1,294	1,204	854	785	766	753	739	747	876	983	916	814	771	755
Paints (*1)	-	-	-3,692	15,040	14,874	15,078	-	-	-	-	-	-	-	-
Fuels (*2)	20,735	15,452	9,893	9,004	9,576	3,770	-	-	-	-	-	-	-	-
Total	213,426	161,857	142,925	165,638	157,566	165,539	163,026	172,544	161,799	149,829	167,695	174,116	165,215	159,702

(Operating Income)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Machinery	6,837	1,733	-3,022	-566	1,970	2,923	5,333	6,551	5,882	3,580	5,083	6,567	7,343	3,968
Industrial	837	767	433	-29	708	778	1,851	1,711	1,037	104	1,005	2,088	3,208	2,113
Rock Drill	3,702	255	-2,584	-350	333	-67	341	1,225	2,217	897	1,782	1,689	142	-1,324
UNIC	2,297	710	-870	-186	928	2,212	3,141	3,614	2,627	2,578	2,295	2,789	3,992	3,180
Materials	7,661	229	3,985	3,044	325	324	1,695	1,770	983	1,870	1,648	1,396	776	1,040
Metals	6,206	23	3,224	1,494	308	282	1,503	1,449	1,154	1,738	867	581	301	499
Electronics	984	4	657	1,279	-234	-262	-123	52	-368	17	330	407	-35	161
Chemicals	470	201	104	269	251	304	315	267	197	114	451	406	510	380
Real estate	749	706	1,128	635	356	219	-43	776	1,276	1,265	1,339	1,163	735	736
Other	-228	-304	-376	-92	-93	-63	-60	-130	-72	-126	-196	-147	-94	-82
Paints (*1)	-	-	-19	-93	-329	65	-	-	-	-	-	-	-	-
Fuels (*2)	-430	202	-29	-56	-13	-28	-	-	-	-	-	-	-	-
Adjustment	-181	-264	-69	-49	-60	-78	-39	-42	-80	-44	-55	-64	-68	-71
Total	14,407	2,303	1,597	2,821	2,154	3,363	6,886	8,925	7,988	6,545	7,820	8,915	8,693	5,592

*1 Withdrew from the Paints business by transferring shares of Tope 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)	7,584	5,864	6,101	8,139	8,485	7,855	7,104	6,554	5,215	5,154	6,444	6,341	5,860	6,879
JPY rate per US\$	114	101	93	86	79	83	100	110	120	108	111	111	109	106

For reference, the following table shows the long-term performance of the Company.

This was the explanation of the Q2 results and full-year forecasts.

Support

Japan 03.4405.3160
 Tollfree 0120.966.744

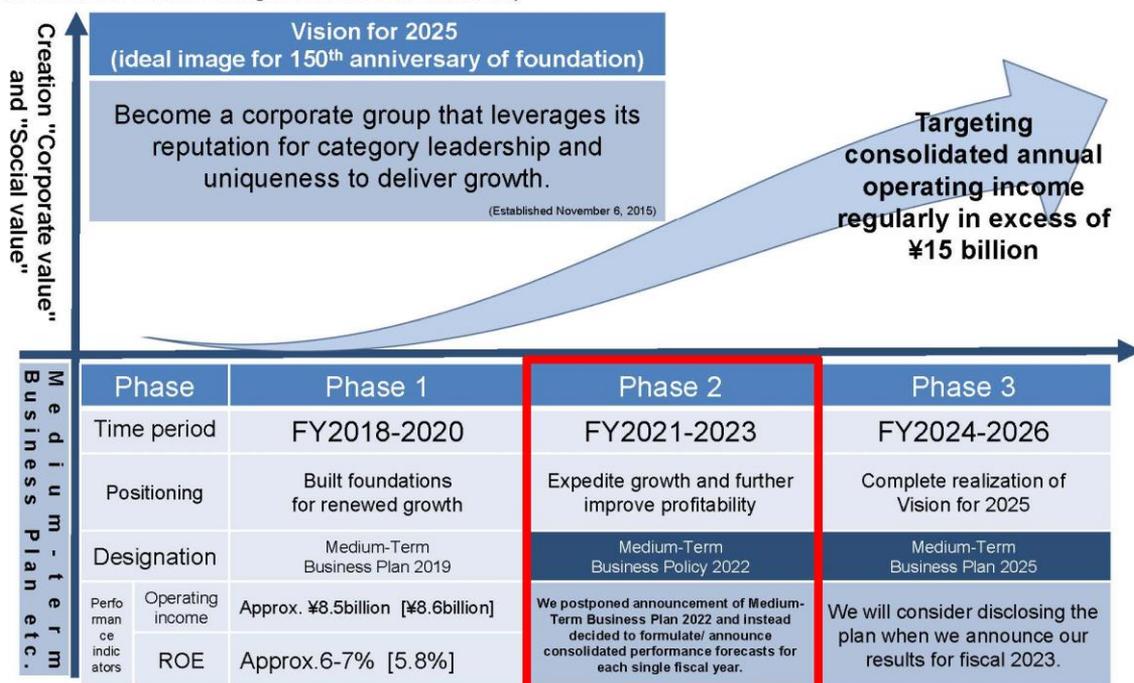
North America 1.800.674.8375
 Email Support support@scriptasia.com



3. Implemental Measures to Strengthening of the Group's Business Structure. [Positioning of FY2021 & FY2022]



We have positioned FY2022 and FY2023 as a period to focus on the early recovery of the Group's performance by strongly promoting the strengthening of our business structure. (In particular, strengthening and restructuring of overseas marketing capabilities in the Rock Drill Machinery segment, fundamental review of the consignment smelting business in the Metals segment, and realization of the future concept of the FURUKAWA Osaka Building in the Real Estate business.)



Next, I will explain the measures we are taking to strengthen our business structure.

We have positioned FY2022 and FY2023 as a period to focus on the early recovery of the Group's performance by strongly promoting the strengthening of our business structure.

In particular, we are focusing on 3 priority issues: strengthening and restructuring of overseas marketing capabilities in the Rock Drill Machinery segment, fundamental review of the consignment smelting business in the Metals segment, and realization of the future concept of the FURUKAWA Osaka Building in the Real Estate business. There is nothing that we can disclose at this time regarding the Metals segment and the Real Estate business, but we are proceeding with our studies.

In this issue, we would like to focus on the 3 segments of the machinery business, the Electronics segment from the materials business, and sustainability, and explain the key points of the measures taken to strengthen our business structure.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



3. Implemental Measures to Strengthening of the Group's Business Structure. [Industrial Machinery Segment]



- The Industrial Machinery segment is strengthening sales of belt conveyor systems as a method of transporting earth and sand that reduces environmental impact.

- Clarification of the target

We are strengthening our proposals for long-distance flat belt conveyors and SICON® enclosed hanging conveyors that improve conveying efficiency while taking the surrounding environment into consideration of disaster prevention and mitigation, urban civil engineering, and the private sector.

Ex.1 Flood countermeasures

- Review dam functions (Upper reaches of rivers)
the number of dams that require removal of accumulated sediment for recover dam functions is increasing.
If carrying out 250,000 cubic meter per year gravel that constantly flows into the dam, 30-40 dump truck s are required per hour.
- Build new dams (Upper reaches of rivers)
Transport large amounts of earths, sands, and aggregates over steep terrains.
- Construct control reservoirs (Middle reaches of rivers)
Dump transportation in residential areas has issues of restrain noise and dust, and ensuring local safety.
- Reinforce levees (Lower reaches of rivers)

Ex.2 Urban civil engineering

- Construct deep shield tunnels in urban area and expand airports, etc.

- Strengthening our efforts to collect information from consultants and general civil engineering contractors.

we are strengthening our efforts to collect information from consultants in various fields (dams, tunnels, roads, disaster prevention and mitigation) and general civil engineering contractors, as well as from maritime contractors who are strong in marine engineering.

=>We will increase the number of orders for our differentiated product, the SICON® enclosed suspended conveyor, by observing actual equipment and cooperating in its design.



Image of belt conveyors



Observing actual equipment in Oyama Works

The Industrial Machinery segment is strengthening sales of belt conveyor systems as a method of transporting earth and sand that reduces environmental impact.

We are strengthening our proposals for long-distance flat belt conveyors and SICON® enclosed hanging conveyors that improve conveying efficiency while taking the surrounding environment into consideration for our target markets of disaster prevention and mitigation, urban civil engineering, and the private sector.

For example, the number of dams in the upper reaches of rivers that require removal of accumulated sediment for flood countermeasures is increasing, and there are plans to review dam functions and even build new dams in the future. We have received several consultations on whether belt conveyors can be used to transport large amounts of earths, sands, and aggregates over steep terrains.

In addition, there are plans to construct control reservoirs in the middle reaches of rivers, reinforce levees in the lower reaches of rivers, and in urban civil engineering, construct deep shield tunnels and expand airports. The potential of belt conveyors is increasing as a method of transporting the large volumes of earths and sands generated by each company.

Under these circumstances, we are strengthening our efforts to collect information from consultants in various fields, dams, tunnels, roads, disaster prevention and mitigation, and general civil engineering contractors, as well as from maritime contractors who are strong in marine engineering.

We will increase the number of orders for our differentiated product, the SICON® enclosed suspended conveyor, by observing actual equipment and cooperating in its design.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptasia.com

3. Implemental Measures to Strengthening of the Group's Business Structure. [Rock Drill Machinery Segment]



- Strengthen and rebuild its overseas marketing capabilities - undergoing reforms to shift its focus from volume to profit -

We aim to achieve early improvement in profitability through (1) centralized production and sales of mainstay models, (2) creation of the Southeast Asian crushed stone market, and (3) strengthening of Life Cycle Support. We have implemented a reorganization on October 1, 2021.

Markets to attack (Via overseas subsidiaries)

[North America]

Expand sales of large-sized machines for both hydraulic crawler drills and hydraulic breakers.

Hydraulic crawler drills

- Narrow down the models to optimization.
- Concentrate on sales of the HCR1550 which is the main large-size model.

Hydraulic breakers

- Sales of the newly introduced large hydraulic breaker (Fxj770) have been strong.
- Confirming demand for ultra-large machines and conducting market research.

Life Cycle Support

- Continue and expand the maintenance business.



Hydraulic crawler drill HCR1550



Ultra-large hydraulic breaker Fxj770

[Europe]

Strengthen sales with a focus on medium and large hydraulic breakers and implement measures for dealers.

Hydraulic breakers

- Reorganize our dealer network in priority countries.
- Collaborate with construction equipment manufacturers.

Hydraulic crawler drills

- Limit sales regions and models to focus on profitability.
- Strengthen support for sales in Africa.

Life cycle support

- Provide extended warranty and parts set sales for hydraulic breakers.

The Rock Drill Machinery segment is undergoing reforms to shift its focus from volume to profit in order to strengthen and rebuild its overseas marketing capabilities. Specifically, we aim to achieve early improvement in profitability through centralized production and sales of mainstay models, creation of the Southeast Asian crushed stone market, and strengthening of Life Cycle Support. To this end, we have implemented a reorganization on October 1, 2021.

Overseas markets are classified into 3 categories: markets to attack, markets to create, and markets to consolidate and eliminate, and implementation measures are being formulated for each.

Our target markets to attack are North America and Europe. It will be developed via overseas subsidiaries.

In North America, in order to expand sales of large-sized machines for both hydraulic crawler drills and hydraulic breakers, we will narrow down the models of hydraulic crawler drills and concentrate on sales of the HCR1550, which is the main large-sized model. In the area of hydraulic breakers, sales of the newly introduced large hydraulic breaker Fxj770 have been strong, and we are confirming demand for ultra-large machines and conducting market research. As for Life Cycle Support, we will continue and expand the maintenance business, which provides a menu of parts replacement and maintenance services for rentals.

In Europe, we will strengthen sales with a focus on medium and large hydraulic breakers and implement measures for dealers. For hydraulic breakers, we will reorganize our dealer network in priority countries and collaborate with construction equipment manufacturers.

For hydraulic crawler drills, we will limit sales regions and models to focus on profitability and strengthen support for sales in Africa. Life Cycle Support will provide extended warranty and parts set sales for hydraulic breakers.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptasia.com

3. Implemental Measures to Strengthening of the Group's Business Structure. [Rock Drill Machinery Segment]



- Strengthen and rebuild its overseas marketing capabilities - undergoing reforms to shift its focus from volume to profit -

Markets to create (Direct trade)

[Southeast Asia] Create a crushed stone market

Introduce attachment drills

Induce users of pneumatic crawler drills to switch to hydraulic drills.
->Appeal the performance and superiority of FURUKAWA's hydraulic rock drills.

Shift our distributor policy

Exclusive distributors -> Multiple distributors by customer segment

Life cycle support

Extended warranties, work to strengthen parts sales through dealer support.



Pneumatic crawler drill



Attachment drill with hydraulic rock drill



Hydraulic crawler drill

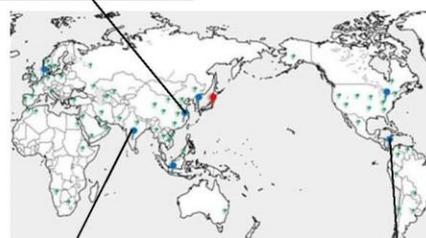
Markets to consolidate and eliminate

[Other regions]

Overseas subsidiaries (China, India, Panama)

Considering the consolidation and elimination.

FURUKAWA ROCK DRILL (SHANGHAI) CO.,LTD.



FURUKAWA ROCK DRILL INDIA PVT.LTD.

FURUKAWA ROCK DRILL LATIN AMERICA S.A.

The market to be created is Southeast Asia. We will work to create a crushed stone market through direct trade.

We will introduce attachment drills that can be mounted on hydraulic excavators to appeal the performance and superiority of FURUKAWA's hydraulic rock drills to users of pneumatic crawler drills, in order to induce them to switch to hydraulic drills. In addition, we will shift our distributor policy from exclusive distributors to multiple distributors by customer segment. In the area of Life Cycle Support, in addition to extended warranties, we will work to strengthen parts sales through dealer support.

The markets to consolidate and eliminate are China, India, and South America. We are considering the consolidation and elimination of our overseas subsidiaries in China, India, and Panama.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com

3. Implemental Measures to Strengthening of the Group's Business Structure. [UNIC Machinery Segment]



- Overseas market environment and countermeasures of UNIC products

- UNIC cranes (Truck-mounted cranes)

Chinese manufacturers are gaining ground (Southeast Asia, Middle East)

=>Chinese manufacturers have a poor reputation for after-sales service, so we will take measures to improve customer satisfaction by strengthening the technology and service capabilities of our dealers for customers who value this.

Low-cost Korean and Chinese manufacturers are improving their quality and increasing their presence in the market

=>Develop cranes with equipment that meets customer needs and differentiate ourselves from the conventional simple models that lack various options in order to compete on price.

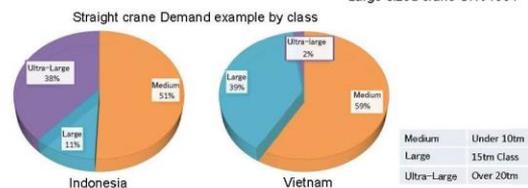
Increasing the demand of large equipment

=>Respond with large equipment manufactured at Taian FURUKAWA in China.

For Russia, Philippines, Vietnam, Indonesia, etc.



Large-sized crane URV1004



- Mini-crawler cranes

Expanding share among European manufacturers

=>develop and sell new models equipped with equipment and originality in line with customer requirements.

Shifting product trends (Multi-functional and electric models, etc.)

=>Continue to expand the functions of current models to maintain our market share. Enhance optional equipment, introduce AGM battery models to the market.



AGM battery model mini-crawler crane

In the UNIC Machinery segment, I will explain the overseas market environment and countermeasures by using 2 categories: UNIC cranes, which are truck-mounted cranes, and mini-crawler cranes.

Chinese manufacturers of UNIC cranes are gaining ground in Southeast Asia and the Middle East. Chinese manufacturers have a poor reputation for after-sales service, so we will take measures to improve customer satisfaction by strengthening the technology and service capabilities of our dealers for customers who value this.

Also, low-cost Korean and Chinese manufacturers are improving their quality and increasing their presence in the market. In response to this, we will develop cranes with equipment that meets customer needs and differentiate ourselves from the conventional simple models that lack various options in order to compete on price.

On the other hand, in Russia, the Philippines, Vietnam, Indonesia, and other countries, the demand for large equipment that is not part of the Japanese UNIC crane lineup is increasing, and we will respond to this demand with large equipment manufactured at Taian FURUKAWA in China.

As the market share of mini-crawler cranes is expanding among European manufacturers, we will develop and sell new models equipped with equipment and originality in line with customer requirements. In addition, as product trends are shifting to multi-functional and electric models, we will continue to expand the functions of current models to maintain our market share, enhance optional equipment, and introduce AGM battery models to the market.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptasia.com



3. Implemental Measures to Strengthening of the Group's Business Structure. [Electronics Segment]



- Strength of aluminum nitride products and the future direction.

- Aluminum nitride(AIN) is an excellent heat-dissipating insulator.

Demand for heat dissipation components has been expanding due to the increasing integration, miniaturization, and thinning of electronic devices.
=>High thermal conductivity, insulation, heat uniformity, and corrosion resistance, has been in increasing demand although it is expensive.

- Our strength is "Sintering technologies"

Molding, sintering, and processing powdered AIN materials is our characteristics.
=>Manufacture components, substrates, and fillers that serve as heat dissipation components.
Our strength lies in our accumulated sintering time and temperature control.

- With our unique technology and know-how, aiming to sell the products with high thermal conductivity.

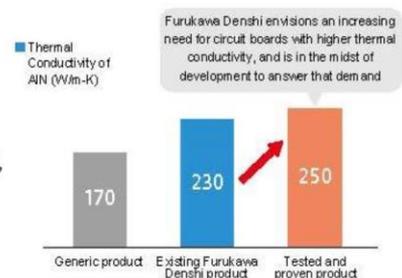
With our unique technology and know-how, we are able to manufacture products with uniform thermal conductivity and insulation, as well as the world's largest-sized large components with less warping, cracking and discoloration during firing.
=>Recognized as an aluminum nitride manufacturer in the fine ceramics industry.

Currently developing high-grade, high thermal conductivity sinter (Components, substrate).
=>Developing high thermal conductivity components with a thermal conductivity of 250 W/m-K, which surpasses the world's highest thermal conductivity products of 230 W/m-K, and sintered substrate products, aiming to sell them during fiscal 2022.

Three main products of aluminum nitride

Components	Substrates	Fillers
Features Thermal uniformity, anti-corrosive, thermal conductivity	High heat dissipation/insulation	Powdery, high heat dissipation
Main customers Manufacturers of semiconductor manufacturing systems and high-voltage power units	Precision machining companies that manufacture semiconductor lasers and telecommunication elements	Resin manufacturers, heat dissipation sheet manufacturers
Usefulness Plates and other components of semiconductor manufacturing systems, high-voltage power units of railway vehicles and satellites/aircraft	Circuit boards for high-powered laser elements, high-powered LED for camera flashes, etc., telecommunication module parts	Silicone and other resin heat dissipation sheets and sealing material on smartphones, laptops, automobiles, etc.

Manufacturing process of aluminum nitride products



For the Electronics segment, I will explain the strength of aluminum nitride products and the future direction.

In recent years, the demand for heat dissipation components has been expanding due to the increasing integration, miniaturization, and thinning of electronic devices. In particular, aluminum nitride, an excellent heat-dissipating insulator with properties such as high thermal conductivity, insulation, heat uniformity, and corrosion resistance, has been in increasing demand, although it is expensive.

We have a system in place for molding, sintering, and processing powdered aluminum nitride materials, and we manufacture components, substrates, and fillers that serve as heat dissipation components.

Our strength lies in our accumulated sintering technologies, such as sintering time and temperature control, which determine the quality of our products. With our unique technology and know-how, we are able to manufacture products with uniform thermal conductivity and insulation, as well as the world's largest-sized large components with less warping, cracking and discoloration during firing, and are recognized as an aluminum nitride manufacturer in the fine ceramics industry.

We are currently developing high-grade, high thermal conductivity components with a thermal conductivity of 250 watts, which surpasses the world's highest thermal conductivity products of 230 watts, and sintered substrate products, aiming to sell them during fiscal 2022.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptasia.com



3. Implemental Measures to Strengthening of the Group's Business Structure. [Sustainability]



- The Furukawa Company Group Basic Policy on Sustainability Initiatives. (Formulated on Dec. 1, 2021)

The Furukawa Company Group has positioned efforts toward sustainability as one of its most important management issues. In addition to contributing to help realize a sustainable society, the Group is committed to achieving sustainable growth and increasing mid-to-long-term corporate value by establishing a robust corporate foundation for growth and resolving social issues through its business.

1. Defensive sustainability:

Establishing a robust corporate foundation for growth

In order to establish a robust corporate foundation for growth, the Group will strengthen and expand its enterprise risk management system and increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group.

2. Aggressive sustainability:

Resolving social issues through business

In addition to increasing the value of the Furukawa brand through "marketing-based management" that incorporates CSV perspectives, the Group will create corporate value and contribute to the creation of social value by developing infrastructure and providing products, technologies, and services that help to resolve social issues.

=> Carry out a reorganization to lay mainly on promotion of the sustainability. (As of Dec. 1, 2021)

- Reorganizing CSR Promotion Meeting and renaming it Sustainability Promotion Meeting.
- Newly established Risk Management Committee.
- Abolish CSR Promotion Department, and newly established Sustainability Promotion Department.



Finally, I will explain the measures to be implemented for realizing sustainability.

We have formulated a basic policy on sustainability initiatives and will begin implementing these initiatives in line with the policy beginning from December 1, 2021.

The basic policy is "The Furukawa Company Group has positioned efforts toward sustainability as one of its most important management issues. In addition to contributing to help realize a sustainable society, the Group is committed to achieving sustainable growth and increasing mid-to-long-term corporate value by establishing a robust corporate foundation for growth and resolving social issues through its business."

The initiatives to realize this basic policy, we divide sustainability into "Defensive" and "Aggressive".

Defensive sustainability is "Establishing a robust corporate foundation for growth". The Group will strengthen and expand its enterprise risk management system and increase corporate value by emphasizing business practices that reflect CSR/ESG issues recognized and to be solved by the Group.

Offensive sustainability is "Resolving social issues through business". In addition to increasing the value of the Furukawa brand through "marketing-based management" that incorporates CSV perspectives, the Group will create corporate value and contribute to the creation of social value by developing infrastructure and providing products, technologies, and services that help to resolve social issues.

In addition to reorganizing CSR Promotion Meeting and renaming it Sustainability Promotion Meeting, newly established Risk Management Committee, abolish CSR Promotion Department, and newly established Sustainability Promotion Department as of December 1, 2021.

Support

Japan	03.4405.3160	North America	1.800.674.8375
Tollfree	0120.966.744	Email Support	support@scriptasia.com

With regard to our decarbonization efforts, we believe that reducing CO2 emissions and achieving carbon neutrality is a matter of course. We will continue to promote the use of energy-saving equipment and new energy sources, and we will set specific targets and work on them mainly through the newly established Sustainability Promotion Department.

That is all the explanation for today.

I would like to take this opportunity to thank all of our shareholders and investors for their continued support of the ever-changing FURUKAWA CO., LTD.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *This document has been translated by SCRIPTS Asia.*

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasia.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2021 SCRIPTS Asia Inc. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 03.4405.3160
Tollfree 0120.966.744

North America 1.800.674.8375
Email Support support@scriptsasias.com

