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November 11, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
 URL: <https://www.furukawakk.co.jp>
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Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled date to commence dividend payments: December 9, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	93,522	(1.3)	3,489	(24.1)	3,428	(43.6)	8,725	(32.4)
September 30, 2023	94,793	(9.4)	4,599	36.4	6,074	16.4	12,911	274.4

Note: Comprehensive income For the six months ended September 30, 2024: ¥ 311 million [(98.3)%]
 For the six months ended September 30, 2023: ¥ 18,699 million [274.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	236.59	—
September 30, 2023	341.52	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	257,395	130,042	49.2
March 31, 2024	259,878	133,272	50.0

Reference: Equity

As of September 30, 2024: ¥ 126,530 million

As of March 31, 2024: ¥ 129,907 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	55.00	55.00
Fiscal year ending March 31, 2025	—	30.00			
Fiscal year ending March 31, 2025 (Forecast)			—	30.00	60.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	187,700	(0.3)	8,200	(3.8)	7,400	(28.7)	16,000	(0.6)	441.31

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

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024	40,445,568 shares
As of March 31, 2024	40,445,568 shares

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

As of September 30, 2024	4,189,660 shares
As of March 31, 2024	3,255,730 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2024	36,881,818 shares
Six months ended September 30, 2023	37,807,375 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(1) Caution concerning forward-looking statements

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

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

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

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1. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	18,513	13,370
Notes and accounts receivable - trade, and contract assets	30,408	29,445
Merchandise and finished goods	20,044	23,367
Work in process	13,670	13,755
Raw materials and supplies	13,699	28,413
Other	3,350	5,258
Allowance for doubtful accounts	(50)	(45)
Total current assets	99,636	113,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,365	24,868
Land	51,765	51,619
Other, net	16,914	14,923
Total property, plant and equipment	92,045	91,411
Intangible assets	342	320
Investments and other assets		
Investment securities	47,383	31,520
Other	22,897	22,281
Allowance for doubtful accounts	(2,426)	(1,703)
Total investments and other assets	67,853	52,097
Total non-current assets	160,241	143,829
Total assets	259,878	257,395

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,267	15,168
Electronically recorded obligations - operating	11,135	6,731
Short-term borrowings	6,558	12,160
Income taxes payable	3,169	3,023
Provisions	356	389
Other	16,183	19,410
Total current liabilities	51,669	56,883
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	46,831	47,583
Provisions	20	25
Retirement benefit liability	956	991
Asset retirement obligations	234	236
Other	21,893	16,631
Total non-current liabilities	74,935	70,469
Total liabilities	126,605	127,353
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	10
Retained earnings	73,046	79,740
Treasury shares	(4,707)	(6,188)
Total shareholders' equity	96,549	101,771
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,342	13,025
Deferred gains or losses on hedges	36	271
Revaluation reserve for land	2,575	2,561
Foreign currency translation adjustment	2,232	3,971
Remeasurements of defined benefit plans	5,172	4,928
Total accumulated other comprehensive income	33,358	24,758
Non-controlling interests	3,365	3,512
Total net assets	133,272	130,042
Total liabilities and net assets	259,878	257,395

(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income
Semi-annual consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	94,793	93,522
Cost of sales	80,184	80,166
Gross profit	14,608	13,356
Selling, general and administrative expenses	10,008	9,866
Operating profit	4,599	3,489
Non-operating income		
Dividend income	580	585
Share of profit of entities accounted for using equity method	81	456
Foreign exchange gains	1,080	–
Other	600	327
Total non-operating income	2,343	1,368
Non-operating expenses		
Administrative expenses of inactive mountain	400	479
Foreign exchange losses	–	562
Other	469	387
Total non-operating expenses	869	1,429
Ordinary profit	6,074	3,428
Extraordinary income		
Gain on sale of investment securities	67	8,248
Other	13,423	29
Total extraordinary income	13,490	8,278
Extraordinary losses		
Loss on sale and retirement of non-current assets	25	52
Impairment losses	11	81
Demolition expenses of a rental building	458	–
Loss on liquidation of subsidiaries	200	–
Other	5	9
Total extraordinary losses	701	142
Profit before income taxes	18,863	11,564
Income taxes - current	3,300	3,027
Income taxes - deferred	2,515	(278)
Total income taxes	5,816	2,749
Profit	13,046	8,815
Profit attributable to non-controlling interests	134	89
Profit attributable to owners of parent	12,911	8,725

Semi-annual consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	13,046	8,815
Other comprehensive income		
Valuation difference on available-for-sale securities	4,309	(10,317)
Deferred gains or losses on hedges	(5)	235
Foreign currency translation adjustment	1,161	1,822
Remeasurements of defined benefit plans, net of tax	(100)	(243)
Share of other comprehensive income of entities accounted for using equity method	288	–
Total other comprehensive income	5,653	(8,503)
Comprehensive income	18,699	311
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,509	140
Comprehensive income attributable to non-controlling interests	190	171

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	18,863	11,564
Depreciation	2,161	2,387
Loss (gain) on sale of investment securities	(67)	(8,248)
Share of loss (profit) of entities accounted for using equity method	(81)	(456)
Increase (decrease) in allowance for doubtful accounts	(8)	(735)
Increase (decrease) in retirement benefit liability	(317)	(603)
Interest and dividend income	(778)	(617)
Interest expenses	245	264
Foreign exchange losses (gains)	(436)	210
Decrease (increase) in trade receivables	6,795	1,417
Decrease (increase) in inventories	(975)	(17,063)
Increase (decrease) in trade payables	1,372	(3,834)
Other, net	(17,052)	3,171
Subtotal	9,721	(12,543)
Interest and dividends received	784	628
Interest paid	(243)	(264)
Income taxes paid	(2,632)	(3,347)
Other, net	813	105
Net cash provided by (used in) operating activities	8,443	(15,421)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,695)	(3,045)
Proceeds from sale of investment securities	65	10,155
Other, net	5,576	15
Net cash provided by (used in) investing activities	1,946	7,125
Cash flows from financing activities		
Proceeds from short-term borrowings	7,748	20,098
Repayments of short-term borrowings	(8,247)	(12,000)
Proceeds from long-term borrowings	6,500	3,500
Repayments of long-term borrowings	(6,653)	(5,269)
Purchase of treasury shares	(1,621)	(1,509)
Dividends paid	(1,902)	(2,042)
Other, net	(136)	(147)
Net cash provided by (used in) financing activities	(4,312)	2,629
Effect of exchange rate change on cash and cash equivalents	680	424
Net increase (decrease) in cash and cash equivalents	6,757	(5,242)
Cash and cash equivalents at beginning of period	13,606	18,193
Cash and cash equivalents at end of period	20,364	12,951

Supplementary Material on Financial Results for the Six Months Ended September 30, 2024

November 11, 2024

Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Six months ended September 30,2023	Six months ended September 30,2024	Year-on-year change	Fiscal year ending March 31, 2025		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	40,302	41,768	1,465	84,300	83,500	1,414
Industrial Machinery segment	6,054	8,778	2,723	19,100	21,600	6,051
Rock Drill Machinery segment	19,961	18,425	(1,535)	33,400	32,900	(5,782)
UNIC Machinery segment	14,286	14,564	277	31,800	29,000	1,146
Materials business	51,503	48,659	(2,843)	97,000	98,000	(2,388)
Metals segment	43,359	40,589	(2,769)	80,100	81,700	(3,012)
Electronics segment	3,540	3,154	(386)	7,400	6,800	33
Chemicals segment	4,603	4,915	312	9,500	9,500	591
Real Estate segment	903	1,027	124	2,100	2,100	226
Others segment	2,083	2,066	(16)	4,300	4,100	191
Total	94,793	93,522	(1,270)	187,700	187,700	(555)

Operating profit

	Six months ended September 30,2023	Six months ended September 30,2024	Year-on-year change	Fiscal year ending March 31, 2025		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	2,581	2,187	(393)	6,800	5,700	3
Industrial Machinery segment	(283)	11	294	1,500	1,900	1,510
Rock Drill Machinery segment	2,146	1,539	(607)	2,900	2,300	(1,848)
UNIC Machinery segment	717	636	(81)	2,400	1,500	341
Materials business	1,912	952	(960)	1,500	1,900	(865)
Metals segment	1,254	579	(674)	500	1,000	(945)
Electronics segment	274	(2)	(276)	400	300	87
Chemicals segment	383	374	(8)	600	600	(8)
Real Estate segment	226	360	134	600	700	229
Others segment	(86)	26	112	(100)	0	293
(Subtotal)	4,634	3,527	(1,106)	8,800	8,300	(338)
Eliminations/corporate	(34)	(38)	(3)	(100)	(100)	14
Total	4,599	3,489	(1,110)	8,700	8,200	(324)

Exchange rate/Copper price

		Six months ended September 30,2023	Six months ended September 30,2024	Year-on-year change	Fiscal year ending March 31, 2025		
					Previously announced forecast	Forecast	Year-on-year change
Exchange rate	Yen/\$	141.0	152.6	11.6	151.5	148.8	4.2
Copper price	\$/mt	8,417	9,477	1,060	9,188	9,489	1,127

* Reference Information (the below values are reference values)

1. Industrial Machinery segment order balance

The Industrial Machinery segment mainly provides built-to-order manufacturing, and the order balance as of the end of the six months ended September 30, 2024 is as follows.

	As of September 30,2023	As of September 30,2024	Year-on-year change
Order backlog	¥16.0 billion	¥14.2 billion	¥(1.7) billion

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

	Six months ended September 30,2023	Six months ended September 30,2024	Year-on-year change
Operating profit	¥1.25 billion	¥0.57 billion	¥(0.67) billion
Of which was due to price fluctuations	¥0.87 billion	¥0.31 billion	¥(0.56) billion
Copper	[¥0.12 billion]	[¥(0.01) billion]	[¥(0.13) billion]
Gold	[¥0.68 billion]	[¥0.26 billion]	[¥(0.42) billion]