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May 13, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
 URL: <https://www.furukawakk.co.jp>
 Representative: Minoru Nakatogawa, President and Representative Director
 Inquiries: Tsuyoshi Tajika, General Manager, Accounting Department
 Telephone: +81-3-6636-9502

Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	188,255	(12.1)	8,524	(5.6)	10,384	11.1	16,097	159.1
March 31, 2023	214,190	7.6	9,031	16.8	9,348	3.9	6,211	(4.1)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥ 30,776 million [248.5%]
 For the fiscal year ended March 31, 2023: ¥ 8,830 million [10.1%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	429.28	–	13.8	4.3	4.5
March 31, 2023	161.97	–	6.2	4.0	4.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥ 539 million
 For the fiscal year ended March 31, 2023: ¥ (860) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	259,878	133,272	50.0	3,493.08
March 31, 2023	232,745	106,050	44.2	2,700.87

Reference: Equity

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

As of March 31, 2023: ¥ 102,946 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	10,492	1,915	(8,446)	18,193
March 31, 2023	6,148	(1,617)	(5,934)	13,606

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	–	0.00	–	50.00	50.00	1,905	30.9	1.9
Fiscal year ended	–	0.00	–	55.00	55.00	2,045	12.8	1.7
March 31, 2024								
Fiscal year ending	–	30.00	–	30.00	60.00		15.9	
March 31, 2025 (Forecast)								

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
Six months ending September 30, 2024	91,000	(4.0)	3,700	(19.6)	3,700	(39.1)	10,000	(22.6)	268.89
Fiscal year ending March 31, 2025	187,700	(0.3)	8,700	2.1	8,000	(23.0)	14,000	(13.0)	376.45

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2024	40,445,568 shares
As of March 31, 2023	40,445,568 shares

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

As of March 31, 2024	3,255,730 shares
As of March 31, 2023	2,329,563 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	37,498,667 shares
Fiscal year ended March 31, 2023	38,351,979 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	7,429	(5.2)	2,568	(21.1)	3,150	(1.4)	12,643	311.4
March 31, 2023	7,834	2.2	3,254	4.8	3,195	(12.7)	3,073	4.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	337.17	—
March 31, 2023	80.14	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	174,933	86,171	49.3	2,317.08
March 31, 2023	149,860	65,727	43.9	1,724.42

Reference: Equity

As of March 31, 2024: ¥ 86,171 million

As of March 31, 2023: ¥ 65,727 million

2. Forecast of non-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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	4,900	(4.6)	2,400	(11.4)	2,300	(29.8)	9,500	(23.2)	255.45
Fiscal year ending March 31, 2025	7,500	0.9	2,500	(2.7)	2,200	(30.2)	10,500	(17.0)	282.34

* Financial results reports are exempt from audit 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. Please refer to 1. Performance Overview, (1) Operating results, on page 2 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(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 supplementary materials and a video of the results briefing on its website.

Attached Material**Index**

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1. Performance Overview

(1) Operating results

(i) Overview

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Net sales	214,190	188,255	(25,934)
Operating profit	9,031	8,524	(507)
Ordinary profit	9,348	10,384	1,036
Profit attributable to owners of parent	6,211	16,097	9,885

During the fiscal year under review (April 1, 2023–March 31, 2024), the Japanese economy recovered moderately due to various government policies amid an improving employment and income environment. Corporate earnings as a whole also improved. By contrast, global monetary tightening, concerns over the Chinese economy, the situations in Ukraine and the Middle East, and other factors caused overseas economies to weaken, posing a risk of downward pressure on the Japanese economy.

In this economic environment, the Furukawa Company Group posted consolidated net sales of ¥188,255 million, a decrease of ¥25,934 million from the previous fiscal year, and operating profit of ¥8,524 million, a decrease of ¥507 million. In the Machinery business, the Industrial Machinery segment and the UNIC Machinery segment both reported decreases in sales and operating profit, while the Rock Drill Machinery segment posted increases in sales and operating profit. Accordingly, the Machinery business as a whole reported an increase in sales and a decrease in operating profit. In the Materials business, the Metals segment reported lower sales and higher operating profit, the Electronics segment lower sales and operating profit, and the Chemicals segment higher sales and operating profit. Accordingly, the Materials business as a whole posted a decrease in sales and an increase in operating profit. Meanwhile, the Real Estate business reported decreases in both sales and operating profit. Within non-operating income, we posted foreign exchange gains of ¥1,162 million. As a result, ordinary profit amounted to ¥10,384 million, an increase of ¥1,036 million. Among extraordinary income, we posted a ¥13,433 million gain on sale of non-current assets, mainly from the transfer of a portion of the former Furukawa Osaka Building site and other land as a co-ownership interest, as well as a ¥2,659 million gain on sale of investment securities. Among extraordinary losses, we posted a ¥2,058 million loss on liquidation of investments and loans in affiliated companies associated with the transfer of shares in Cariboo Copper Corp. (25% interest in the Gibraltar Copper Mine in Canada). Accordingly, profit attributable to owners of parent was ¥16,097 million, an increase of ¥9,885 million.

(ii) Results by business segment

Industrial Machinery

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	17,943	15,548	(2,394)
Operating profit	1,515	389	(1,125)

Sales in the Industrial Machinery segment amounted to ¥15,548 million, a decrease of ¥2,394 million, and operating profit was ¥389 million, a decrease of ¥1,125 million. The order backlog at year-end was higher than a year earlier due to orders received for the Hachioji South Bypass Ofuna–Terada viaduct and for excavated soil and sand conveying equipment for tunnel construction, as well as aggregate conveying equipment related to new dam construction. As for revenue, sales of material machinery were on a par with the previous fiscal year, but sales of pump equipment and environmental products declined. In the infrastructure business, we reported sales corresponding to progress, including the Shimizu IC No. 3 Viaduct Steel Upper Structure and

excavated soil and sand conveying equipment for tunnel construction, resulting in a year-on-year increase in sales. The decrease in operating profit resulted from additional costs incurred related to material machinery stemming from delays in plant construction and other factors.

Rock Drill Machinery

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	35,752	38,682	2,930
Operating profit	3,030	4,148	1,117

Sales in the Rock Drill Machinery segment totaled ¥38,682 million, an increase of ¥2,930 million year on year, and operating profit was ¥4,148 million, an increase of ¥1,117 million. In Japan, sales increased due to a rise in shipments of auxiliary parts, such as hydraulic crawler drills, and an increase in orders for maintenance services. Overseas, shipments of hydraulic breakers and hydraulic crawler drills to North America were strong, while shipments of hydraulic crawler drills to the Middle East and Africa increased. With the added benefit of the yen's depreciation, overseas sales increased year on year.

UNIC Machinery

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	27,961	27,853	(108)
Operating profit	1,547	1,158	(389)

Sales in the UNIC Machinery segment totaled ¥27,853 million, a decrease of ¥108 million, and operating profit was ¥1,158 million, a decrease of ¥389 million. In Japan, we reported an increase in sales due to a recovery in truck production, which had suffered delays, as well as higher shipments of UNIC cranes owing to a year-on-year increase in the number of trucks supplied. However, the cost of sales ratio deteriorated and earnings declined due to ongoing shipments of products sold before price hikes, which we implemented to address soaring prices of steel and other raw materials. Overseas, we posted a decrease in sales due to lower shipments to China, Southeast Asia, Europe, and other regions.

[Machinery Business Total]

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Net sales	81,658	82,085	427
Operating profit	6,093	5,696	(397)

Total sales of the Machinery business—consisting of the Industrial Machinery, Rock Drill Machinery, and UNIC Machinery segments—amounted to ¥82,085 million, an increase of ¥427 million year on year, and operating profit was ¥5,696 million, a decrease of ¥397 million.

Metals

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	111,424	84,712	(26,711)
Operating profit	1,276	1,945	668

Sales in the Metals segment amounted to ¥84,712 million, a decrease of ¥26,711 million year on year, and operating profit was ¥1,945 million, an increase of ¥668 million. The overseas market price of electrolytic copper started the period at US\$8,966/ton and rose to the US\$9,000/ton level in mid-April but fell below US\$8,000/ton in the latter half of May, mainly due to prolonged demand weakness in China. Subsequently, the price rose and fell repeatedly, mainly due a mixture of expectations and uncertainty about a recovery in demand in China, and ended the period at US\$8,729/ton. The termination of our entrusted copper smelting agreement with Onahama Smelting and Refining Co., Ltd. on March 31, 2023 resulted in electrolytic copper production of 48,262 tons (a decrease of 21,924 tons from the previous fiscal year), leading to decreases in sales volume and revenue. On the other hand, operating profit increased thanks to income fluctuations in metal prices and an improvement in the balance of entrusted smelting income and expenses.

Electronics

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	6,926	6,766	(159)
Operating profit	500	212	(288)

Sales in the Electronics segment amounted to ¥6,766 million, a decrease of ¥159 million year on year, and operating profit was ¥212 million, a decrease of ¥288 million. Sales of high-purity metallic arsenic remained at the same level as the previous fiscal year, although the market cycle for compound semiconductors, a major application for this material, bottomed out both in Japan and overseas. Sales of crystal products decreased significantly due to inventory adjustments by users, while sales of aluminum nitride ceramics declined significantly due to sluggish demand for components used in semiconductor manufacturing equipment. Sales of coils increased due to the recovery in automobile production as the semiconductor shortage was resolved.

Chemicals

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	8,454	8,908	454
Operating profit	532	608	75

Sales in the Chemicals segment amounted to ¥8,908 million, an increase of ¥454 million year on year, and operating profit was ¥608 million, an increase of ¥75 million. Sales of cupric oxide benefited from an increase in unit selling prices stemming from higher copper prices and price revisions. However, demand for PCs and smartphones, as well as package substrates used in servers and other products, declined. Accordingly, overall sales of cupric oxide remained mostly unchanged year on year. Meanwhile, sales of cuprous oxide increased on the back of strong demand for ship-bottom paints, a major application for that product, as well as higher unit selling prices owing to rising copper prices and price revisions.

[Materials Business Total]

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Net sales	126,804	100,388	(26,416)
Operating profit	2,309	2,765	456

Total sales of the Materials business—consisting of the Metals, Electronics, and Chemicals segments—amounted to ¥100,388 million, a decrease of ¥26,416 million year on year, and operating profit was ¥2,765 million, an increase of ¥456 million.

Real Estate

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	2,056	1,873	(182)
Operating profit	835	470	(365)

Sales in the Real Estate business amounted to ¥1,873 million, a decrease of ¥182 million year on year, and operating profit was ¥470 million, a decrease of ¥365 million. As for the Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, rent income, which varies according to sales of the commercial facility, recovered to the pre-COVID level. However, overall revenues from office rents declined due to lower unit rent prices affected by oversupply in the central Tokyo market.

Others

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Sales	3,671	3,908	237
Operating profit	(133)	(293)	(160)

This segment covers metal powder, casting, transportation, and other businesses. In the fiscal year under review, the segment recorded sales of ¥3,908 million, an increase of ¥237 million year on year, and an operating loss of ¥293 million, an increase of ¥160 million.

(iii) Outlook for the next fiscal year

For the fiscal year ending March 31, 2025, we forecast consolidated net sales of ¥187,700 million, a decrease of ¥555 million year on year, and operating profit of ¥8,700 million, an increase of ¥175 million. Our forecasts by business segment are described below.

In the Industrial Machinery segment, we forecast an increase in sales related to large-scale projects (where demand for belt conveyors is expected to grow), as well as higher sales of pumps, pump equipment, material machinery, and bridge-related project. For the segment overall, we forecast increases in both sales and operating profit.

In the Rock Drill Machinery segment, we anticipate that the trend of restraint in Japan related to purchasing rental-use hydraulic breakers has bottomed out. Overseas, however, demand will run its course, especially in the United States where sales were particularly strong in the fiscal year under review, leading to a significant year-on-year decline in segment sales. Overall, we forecast decreases in both sales and operating profit.

In the UNIC Machinery segment, we anticipate an increase in sales in Japan on the back of higher truck production and shipments and an increase in orders for UNIC cranes. We also expect our

efforts to strengthen sales in Europe, the United States, Southeast Asia, and the Middle East to result in higher overseas sales. Overall, we forecast an increase in segment sales, as well as a rise in operating profit on the back of higher sales and the fact that shipments of products before price increases have run their course.

For the Metals segment, our projections are based on an assumed copper price of US\$9,000/ton and an exchange rate of ¥145/US\$1. We forecast a year-on-year decline in sales volume, reflecting electrolytic copper production of 46,601 tons (a decrease of 1,661 tons year on year), which will result in lower segment sales. We also forecast a decrease in operating profit due to the absence of a gain from price differentials (which boosted profit in the fiscal year under review).

In the Electronics segment, we forecast an increase in sales on the back of demand for high-purity metallic arsenic (for which market conditions have already recovered), crystal products (for which users inventory adjustments are expected to settle down in the second half of the year and thereafter), and aluminum nitride ceramics (for which demand for semiconductor production equipment components is expected to recover). Overall, we forecast increases in both sales and operating profit.

In the Chemicals segment, sales of cupric oxide and other products are expected to increase due to a gradual recovery in demand for PCs and smartphones. Overall, we forecast an increase in segment sales. Due to cost increases caused by raw material shortages, however, we expect operating profit to remain mostly unchanged.

In the Real Estate business, we anticipate an increase in revenue from Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, mainly due to higher office occupancy rates. Accordingly, we forecast increases in both sales and operating profit.

As a result, we forecast ordinary profit of ¥8,000 million, a decrease of ¥2,384 million from the fiscal year under review (when we benefited from foreign exchange gains and other factors). We also forecast profit attributable to owners of parent of ¥14,000 million, a decrease of ¥2,097 million from the fiscal year under review (when we posted a significant gain on sale of non-current assets), despite our expectation of extraordinary income in the form of a gain on sale of investment securities associated with a reduction of strategic shareholdings.

(2) Financial position

(i) Assets, liabilities, and net assets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Year-on-year change
Total assets	232,745	259,878	27,132
Liabilities	126,695	126,605	(89)
(Interest-bearing debt)	62,848	58,389	(4,459)
Net assets	106,050	133,272	27,222
Equity-to-asset ratio (%)	44.2	50.0	5.8

As of March 31, 2024, total assets amounted to ¥259,878 million, an increase of ¥27,132 million from a year earlier. This was mainly due to a decrease in notes and accounts receivable - trade, and contract assets and an increase in cash and deposits, as well as an increase in investment securities due to higher share prices of listed stocks. We also reported proceeds from the transfer of a portion of the former Furukawa Osaka Building site and other land as a co-ownership interest, which led to an increase in long-term accounts receivable - other (included in "Other" under "Investments and other assets"). Interest-bearing debt at fiscal year-end amounted to ¥58,389 million, a decrease of ¥4,459 million from a year earlier, and total liabilities amounted to ¥126,605 million, a decrease of ¥89 million. Net assets totaled ¥133,272 million, an increase of ¥27,222 million, and the equity-to-asset ratio was 50.0%, an increase of 5.8 percentage points.

(ii) Cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Year-on-year change
Cash flows from operating activities	6,148	10,492	4,344
Cash flows from investing activities	(1,617)	1,915	3,533
Cash flows from financing activities	(5,934)	(8,446)	(2,512)
Cash and cash equivalents	13,606	18,193	4,587

Net cash provided by operating activities amounted to ¥10,492 million, mainly reflecting profit before income taxes. Net cash provided by investing activities totaled ¥1,915 million, mainly due to ¥5,464 million in proceeds from sale of property, plant and equipment and ¥3,128 in proceeds from sale of investment securities, which contrasted with ¥6,405 million in purchase of property, plant and equipment. Net cash used in financing activities was ¥8,446 million, mainly reflecting repayments of borrowings and dividends paid, which contrasted with ¥5,000 million in proceeds from issuance of bonds. As a result, cash and cash equivalents at end of period amounted to ¥18,193 million, an increase of ¥4,587 million from a year earlier.

(iii) Trends in cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio (%)	42.0	42.3	44.2	50.0
Market value equity ratio (%)	23.9	21.8	20.9	25.9
Debt repayment ratio (Years)	11.5	7.5	10.2	5.6
Interest coverage ratio (Times)	13.1	20.4	12.4	20.9

Notes: Equity-to-asset ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Debt repayment ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payment

- 1) All indicators are calculated using consolidated-based financial figures.
- 2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of issued shares at the end of the period (excluding treasury shares).
- 3) Operating cash flow represents cash flows from operating activities in the consolidated statement of cash flows.
- 4) Interest-bearing debt represents the liabilities in the consolidated balance sheet on which interest is paid.
- 5) Interest payment represents interest paid in the consolidated statement of cash flows.

(3) Basic policy on distribution of profits and dividends for the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025

The Company provides stable and continuous returns to shareholders while placing priority on investments to ensure sustainable growth and increased corporate value over the medium to long term.

(i) Policy on dividends

For dividends, we look to provide increased dividends and interim dividends and as a general rule target annual dividends per share of ¥50 or more and ratio of total shareholder return on equity on a consolidated basis of 3% or more.

(ii) Internal reserves

Placing emphasis on internal reserves essential for securing revenue, we approach to investment to focus on profitability while considering the risks and cost of capital accompanying such investment.

(iii) Policy on purchase and retirement of treasury shares

We look to purchase and retire treasury shares while considering share price trends, capital efficiency, cash flows, etc. We target a purchase of treasury shares of approximately ¥1.5 billion to ¥2.0 billion per fiscal year and a total of approximately ¥5.0 billion for the three-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026.

For the fiscal year ended March 31, 2024, we plan to pay a year-end dividend of ¥55.00 per share.

For the fiscal year ending March 31, 2025, we forecast a dividend of ¥30.00 per share in the second quarter and a year-end dividend of ¥30.00 per share.

2. Basic Policy Regarding Selection of Accounting Standards

For the time being, the Group intends to use Japanese Generally Accepted Accounting Principles (Japanese GAAP) to prepare its consolidated financial statements in order to facilitate comparison with other financial periods and other companies.

As for the application of International Financial Accounting Standards (IFRS), the Group plans to appropriately respond after considering the circumstances in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,606	18,513
Notes and accounts receivable - trade, and contract assets	35,502	30,408
Merchandise and finished goods	18,705	20,044
Work in process	12,213	13,670
Raw materials and supplies	15,584	13,699
Other	4,318	3,350
Allowance for doubtful accounts	(47)	(50)
Total current assets	99,882	99,636
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,435	23,365
Machinery, equipment and vehicles, net	9,384	9,952
Land	53,910	51,765
Leased assets, net	463	592
Construction in progress	900	3,412
Other, net	2,888	2,957
Total property, plant and equipment	90,981	92,045
Intangible assets	317	342
Investments and other assets		
Investment securities	34,711	47,383
Long-term loans receivable	4,573	5,112
Deferred tax assets	749	432
Retirement benefit asset	351	2,692
Other	1,947	14,659
Allowance for doubtful accounts	(769)	(2,426)
Total investments and other assets	41,563	67,853
Total non-current assets	132,862	160,241
Total assets	232,745	259,878

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,397	14,267
Electronically recorded obligations - operating	9,244	11,135
Short-term borrowings	16,607	6,558
Lease liabilities	186	250
Accounts payable - other	12,806	9,862
Income taxes payable	1,711	3,169
Provision for bonuses	137	145
Provision for loss on construction contracts	6	-
Provision for environmental measures	58	5
Provision for loss on litigation	-	136
Other provisions	-	67
Other	7,954	6,070
Total current liabilities	63,111	51,669
Non-current liabilities		
Bonds payable	-	5,000
Long-term borrowings	46,240	46,831
Lease liabilities	387	657
Deferred tax liabilities	10,141	17,083
Deferred tax liabilities for land revaluation	1,367	1,364
Retirement benefit liability	2,481	956
Provision for environmental measures	-	15
Other provisions	97	5
Asset retirement obligations	228	234
Other	2,638	2,788
Total non-current liabilities	63,583	74,935
Total liabilities	126,695	126,605
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	58,847	73,046
Treasury shares	(3,086)	(4,707)
Total shareholders' equity	83,971	96,549
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,320	23,342
Deferred gains or losses on hedges	(77)	36
Revaluation reserve for land	2,582	2,575
Foreign currency translation adjustment	1,564	2,232
Remeasurements of defined benefit plans	2,584	5,172
Total accumulated other comprehensive income	18,974	33,358
Non-controlling interests	3,103	3,365
Total net assets	106,050	133,272
Total liabilities and net assets	232,745	259,878

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	214,190	188,255
Cost of sales	185,575	160,010
Gross profit	28,615	28,245
Selling, general and administrative expenses		
Freight and incidental costs	3,005	2,572
Salaries, allowances and bonuses	7,910	8,230
Provision for bonuses	78	78
Provision for retirement benefits	525	401
Provision of allowance for doubtful accounts	10	-
Research and development expenses	1,055	935
Other	6,998	7,503
Total selling, general and administrative expenses	19,583	19,721
Operating profit	9,031	8,524
Non-operating income		
Dividend income	847	991
Share of profit of entities accounted for using equity method	-	539
Foreign exchange gains	1,462	1,162
Other	836	961
Total non-operating income	3,146	3,655
Non-operating expenses		
Interest expenses	501	510
Share of loss of entities accounted for using equity method	860	-
Administrative expenses of inactive mountain	814	816
Other	654	467
Total non-operating expenses	2,829	1,795
Ordinary profit	9,348	10,384
Extraordinary income		
Gain on sale of non-current assets	47	13,433
Gain on sale of investment securities	362	2,659
Other	0	-
Total extraordinary income	410	16,092
Extraordinary losses		
Demolition expenses of a rental building	470	458
Loss on liquidation of investments and loans in affiliated companies	-	2,058
Other	781	708
Total extraordinary losses	1,252	3,224
Profit before income taxes	8,506	23,252
Income taxes - current	2,811	5,378
Income taxes - deferred	(762)	1,552
Total income taxes	2,049	6,931
Profit	6,457	16,321
Profit attributable to non-controlling interests	245	224
Profit attributable to owners of parent	6,211	16,097

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,457	16,321
Other comprehensive income		
Valuation difference on available-for-sale securities	491	11,027
Deferred gains or losses on hedges	106	93
Foreign currency translation adjustment	1,413	996
Remeasurements of defined benefit plans, net of tax	77	2,587
Share of other comprehensive income of entities accounted for using equity method	282	(250)
Total other comprehensive income	2,373	14,454
Comprehensive income	8,830	30,776
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,522	30,488
Comprehensive income attributable to non-controlling interests	308	287

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	54,557	(2,197)	80,570
Changes during period					
Dividends of surplus			(1,941)		(1,941)
Profit attributable to owners of parent			6,211		6,211
Purchase of treasury shares				(888)	(888)
Reversal of revaluation reserve for land			19		19
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,290	(888)	3,401
Balance at end of period	28,208	2	58,847	(3,086)	83,971

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,832	(292)	2,602	35	2,506	16,683	2,821	100,075
Changes during period								
Dividends of surplus								(1,941)
Profit attributable to owners of parent								6,211
Purchase of treasury shares								(888)
Reversal of revaluation reserve for land								19
Net changes in items other than shareholders' equity	487	215	(19)	1,529	77	2,291	282	2,573
Total changes during period	487	215	(19)	1,529	77	2,291	282	5,975
Balance at end of period	12,320	(77)	2,582	1,564	2,584	18,974	3,103	106,050

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	58,847	(3,086)	83,971
Changes during period					
Dividends of surplus			(1,905)		(1,905)
Profit attributable to owners of parent			16,097		16,097
Purchase of treasury shares				(1,621)	(1,621)
Reversal of revaluation reserve for land			7		7
Net changes in items other than shareholders' equity					
Total changes during period	-	-	14,198	(1,621)	12,577
Balance at end of period	28,208	2	73,046	(4,707)	96,549

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,320	(77)	2,582	1,564	2,584	18,974	3,103	106,050
Changes during period								
Dividends of surplus								(1,905)
Profit attributable to owners of parent								16,097
Purchase of treasury shares								(1,621)
Reversal of revaluation reserve for land								7
Net changes in items other than shareholders' equity	11,022	113	(7)	667	2,587	14,383	261	14,645
Total changes during period	11,022	113	(7)	667	2,587	14,383	261	27,222
Balance at end of period	23,342	36	2,575	2,232	5,172	33,358	3,365	133,272

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,506	23,252
Depreciation	4,114	4,387
Loss (gain) on sale of property, plant and equipment	255	(13,150)
Loss (gain) on sale of investment securities	(362)	(2,659)
Share of loss (profit) of entities accounted for using equity method	860	(539)
Increase (decrease) in allowance for doubtful accounts	(7)	1,583
Interest and dividend income	(1,110)	(1,331)
Interest expenses	501	510
Foreign exchange losses (gains)	(81)	(482)
Decrease (increase) in trade receivables	(6,798)	5,366
Decrease (increase) in inventories	3,219	(314)
Increase (decrease) in trade payables	(2,143)	1,109
Increase (decrease) in accounts payable - other	(1,119)	(3,832)
Other, net	3,058	(1,074)
Subtotal	8,892	12,828
Interest and dividends received	1,073	1,381
Interest paid	(494)	(503)
Income taxes paid	(3,400)	(4,116)
Income taxes refund	76	902
Net cash provided by (used in) operating activities	6,148	10,492
Cash flows from investing activities		
Payments into time deposits	(0)	(319)
Purchase of property, plant and equipment	(3,361)	(6,405)
Proceeds from sale of property, plant and equipment	239	5,464
Payments for retirement of property, plant and equipment	(261)	(255)
Proceeds from sale of investment securities	1,380	3,128
Proceeds from sale of shares of subsidiaries and associates	-	430
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	420	-
Other, net	(34)	(128)
Net cash provided by (used in) investing activities	(1,617)	1,915
Cash flows from financing activities		
Proceeds from short-term borrowings	57,408	14,748
Repayments of short-term borrowings	(58,300)	(21,860)
Proceeds from long-term borrowings	3,200	6,630
Repayments of long-term borrowings	(5,176)	(9,180)
Proceeds from issuance of bonds	-	5,000
Repayments of finance lease liabilities	(208)	(231)
Purchase of treasury shares	(888)	(1,621)
Dividends paid	(1,942)	(1,904)
Other, net	(25)	(26)
Net cash provided by (used in) financing activities	(5,934)	(8,446)
Effect of exchange rate change on cash and cash equivalents	541	625
Net increase (decrease) in cash and cash equivalents	(862)	4,587
Cash and cash equivalents at beginning of period	14,468	13,606
Cash and cash equivalents at end of period	13,606	18,193

(5) Notes to consolidated financial statements**Notes on going concern assumptions**

Not applicable.

Changes in accounting policies

Not applicable.

Segment information

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about the allocation of managerial resources and to assess their performance.

The Group is mainly engaged in the manufacturing and sales of machinery, copper smelting on consignment and sales, and the manufacturing and sales of electronics and chemicals in Japan and overseas.

In the Group, under the operating holding company structure, each core operating company establishes comprehensive strategies and conducts business activities in Japan and overseas for the products it handles, and the Company manages and monitors each core operating company.

As such, the Group is composed mainly of segments structured around products based on its core operating companies. There are seven reporting segments: “Industrial Machinery,” “Rock Drill Machinery,” “UNIC Machinery,” “Metals,” “Electronics,” “Chemicals,” and “Real Estate.”

The Industrial Machinery segment manufactures, sells, and services pumps, crushers, grinding mills, classifiers, separators, conveyor belts, environmental preservation machines, recycling plants, steel structures, bridges, etc., and concludes various construction contracts. The Rock Drill Machinery segment manufactures and sells rock drills such as hydraulic breakers, hydraulic crushers, blast hole drills (pneumatic and hydraulic crawler drills, down-the-hole-drills, attachment drills, etc.), and tunnel and mining drill jumbos (tunnel drill jumbos, concrete sprayers, drill jumbos used in mines, etc.). The UNIC Machinery segment manufactures and sells UNIC cranes, mini crawler cranes, ocean cranes, and UNIC carriers. After purchasing copper concentrates from overseas, the Metals segment manufactures and sells electrolytic copper, electrolytic gold, electrolytic silver, and sulfuric acid which are smelted on consignment by joint smelting companies. This segment also digs and sells limestone. The Electronics segment manufactures and sells high-purity metallic arsenic, crystal products, cores and coils, aluminium nitride ceramics, and optical components. The Chemicals segment manufactures and sells sulfuric acid, polyferric sulfate solutions, sulfuric acid bands, cuprous oxide, and cupric oxide, and sells titanium oxide. The Real Estate segment is engaged in the leasing and transaction of real estate.

2. Method for calculating amounts of net sales, profit or loss, assets, and other items by reportable segment

The accounting method for the operating segments that are reportable is the same as described in “Significant Matters as Basis for Preparing Consolidated Financial Statements” (in Japanese only).

The profit stated for the reportable segments is a figure based on operating profit. Intersegment revenue or transfers are based on actual market price.

3. Information relating to the amounts of net sales, profit or loss, assets, and other items by reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	17,943	35,752	27,961	111,424	6,926	8,454
Intersegment net sales or transfers	2,892	3	280	228	–	55
Total	20,836	35,756	28,242	111,652	6,926	8,509
Segment profit (loss)	1,515	3,030	1,547	1,276	500	532
Segment assets	26,562	38,795	31,659	33,533	8,861	17,171
Other items						
Depreciation	507	916	1,178	160	321	238
Amortization of goodwill	–	–	8	–	–	–
Investments in entities accounted for using equity method	–	–	137	2,826	204	–
Increase in property, plant and equipment and intangible assets	912	708	504	208	1,125	237

	Reportable segment		Others (Note 1)	Total	Eliminations/corporate (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	2,056	210,519	3,671	214,190	–	214,190
Intersegment net sales or transfers	11	3,472	1,805	5,278	(5,278)	–
Total	2,068	213,991	5,476	219,468	(5,278)	214,190
Segment profit (loss)	835	9,238	(133)	9,104	(73)	9,031
Segment assets	26,642	183,227	5,269	188,497	44,248	232,745
Other items						
Depreciation	390	3,712	132	3,844	42	3,887
Amortization of goodwill	–	8	–	8	–	8
Investments in entities accounted for using equity method	–	3,168	175	3,343	–	3,343
Increase in property, plant and equipment and intangible assets	3	3,701	204	3,906	281	4,187

Notes: 1. The “Others” category refers to business segments not included in the reportable segments, and includes the metal powder business, casting business, transportation business, and other businesses.

2. Eliminations/corporate are as follows:

(1) Segment profit (loss) adjustment of ¥(73) million includes eliminations of intersegment transactions of ¥37 million and company-wide expenses not allocated to each reportable segment of ¥(110) million. Company-wide expenses are mainly expenses related to deserted metal mine assets and deserted coal mine assets that do not belong to the reportable segments.

(2) Segment assets adjustment is ¥44,248 million, composed mainly of surplus working capital (cash and deposits) and long-term investment funds (investment securities).

3. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	15,548	38,682	27,853	84,712	6,766	8,908
Intersegment net sales or transfers	2,849	5	345	244	–	56
Total	18,398	38,688	28,199	84,957	6,766	8,965
Segment profit (loss)	389	4,148	1,158	1,945	212	608
Segment assets	30,080	38,071	31,213	27,650	8,627	17,380
Other items						
Depreciation	508	989	1,216	222	415	237
Amortization of goodwill	–	1	8	–	–	–
Investments in entities accounted for using equity method	–	–	136	622	–	–
Increase in property, plant and equipment and intangible assets	2,547	1,025	857	428	720	432

	Reportable segment		Others (Note 1)	Total	Eliminations/corporate (Note 2)	Amount recorded in the consolidated statement of income (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	1,873	184,346	3,908	188,255	–	188,255
Intersegment net sales or transfers	9	3,511	1,878	5,390	(5,390)	–
Total	1,883	187,858	5,787	193,645	(5,390)	188,255
Segment profit (loss)	470	8,932	(293)	8,638	(114)	8,524
Segment assets	34,889	187,912	5,293	193,205	66,672	259,878
Other items						
Depreciation	397	3,987	151	4,139	55	4,194
Amortization of goodwill	–	10	–	10	–	10
Investments in entities accounted for using equity method	–	759	197	957	–	957
Increase in property, plant and equipment and intangible assets	1,232	7,243	183	7,427	585	8,013

Notes: 1. The “Others” category refers to business segments not included in the reportable segments, and includes the metal powder business, casting business, transportation business, and other businesses.

2. Eliminations/corporate are as follows:

(1) Segment profit (loss) adjustment of ¥(114) million includes eliminations of intersegment transactions of ¥5 million and company-wide expenses not allocated to each reportable segment of ¥(120) million. Company-wide expenses are mainly expenses related to deserted metal mine assets and deserted coal mine assets that do not belong to the reportable segments.

(2) Segment assets adjustment is ¥66,672 million, composed mainly of surplus working capital (cash and deposits) and long-term investment funds (investment securities).

3. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income.

Per share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	2,700.87	3,493.08
Basic earnings per share	161.97	429.28

Notes: 1. The amount of diluted earnings per share is not provided because there are no potential shares.

2. The bases for calculating basic earnings per share are as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	6,211	16,097
Profit (loss) not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	6,211	16,097
Average number of outstanding common shares during the period (Thousands of shares)	38,351	37,498

Material subsequent events

(Introduction of restricted share-based remuneration plan)

At the Board of Directors meeting held on April 30, 2024, the Company revised the remuneration plan for Directors and Audit & Supervisory Board Members and resolved to introduce a restricted share-based remuneration plan (the “Plan”). Accordingly, the Company decided to submit a proposal regarding the Plan at the 157th Annual Shareholders’ Meeting scheduled to be held on June 27, 2024. For details, please refer to the “Notice Regarding the Introduction of a Restricted Share-Based Remuneration Plan” (in Japanese only) released on April 30, 2024.

Supplementary Material on Financial Results for the Fiscal Year Ended March 31, 2024

May 13, 2024

Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Fiscal year ended March 31, 2024	Year-on-year change
Machinery business	82,085	427
Industrial Machinery segment	15,548	(2,394)
Rock Drill Machinery segment	38,682	2,930
UNIC Machinery segment	27,853	(108)
Materials business	100,388	(26,416)
Metals segment	84,712	(26,711)
Electronics segment	6,766	(159)
Chemicals segment	8,908	454
Real Estate segment	1,873	(182)
Others segment	3,908	237
Total	188,255	(25,934)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
87,700	5,614
19,100	3,551
36,200	(2,482)
32,400	4,546
93,600	(6,788)
76,700	(8,012)
7,700	933
9,200	291
2,100	226
4,300	391
187,700	(555)

Operating profit

	Fiscal year ended March 31, 2024	Year-on-year change
Machinery business	5,696	(397)
Industrial Machinery segment	389	(1,125)
Rock Drill Machinery segment	4,148	1,117
UNIC Machinery segment	1,158	(389)
Materials business	2,765	456
Metals segment	1,945	668
Electronics segment	212	(288)
Chemicals segment	608	75
Real Estate segment	470	(365)
Others segment	(293)	(160)
(Subtotal)	8,638	(466)
Eliminations/corporate	(114)	(41)
Total	8,524	(507)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
7,400	1,703
1,900	1,510
3,100	(1,048)
2,400	1,241
1,000	(1,765)
0	(1,945)
400	187
600	(8)
600	129
(200)	93
8,800	161
(100)	14
8,700	175

Exchange rate • Copper price

		Fiscal year ended March 31, 2024	Year-on-year change
Exchange rate	Yen/\$	144.6	9.1
Copper price	\$/mt	8,362	(189)

Fiscal year ending March 31, 2025	
Forecast	Year-on-year change
145.0	0.4
9,000	638

* 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 fiscal year under review is as follows.

	As of March 31, 2024	Year-on-year change
Order backlog	¥15.8 billion	¥1.6 billion

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

	Fiscal year ended March 31, 2024	Year-on-year change
Operating profit	¥1.94 billion	¥0.66 billion
Of which was due to price fluctuations	¥1.31 billion	¥0.13 billion
Copper	[¥0.18 billion]	[¥0.10 billion]
Gold	[¥1.03 billion]	[¥0.01 billion]