

Financial Results (Consolidated)
for the First Nine Months of the Fiscal Year Ending June 30, 2025
<Japanese GAAP>

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 Listing: Tokyo
 Stock code: 7826
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Scheduled date to commence dividend payments: —
 Preparation of supplementary material on earnings: No
 Holding of earnings performance review: No

(Amounts have been rounded down to the nearest million yen.)

1. Consolidated earnings for the first nine months of the fiscal year ending June 30, 2025
(from July 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|-------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| Nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 40,808 | 22.3 | 8,281 | 14.5 | 7,809 | 12.1 | 5,450 | 12.5 |
| March 31, 2024 | 33,359 | (9.1) | 7,232 | (30.8) | 6,965 | (33.0) | 4,843 | (31.2) |

Note: Comprehensive income: Nine months ended March 31, 2025: 5,410 million yen [11.2%]
 Nine months ended March 31, 2024: 4,865 million yen [(30.8)%]

| | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
| Nine months ended | Yen | Yen |
| March 31, 2025 | 221.85 | 221.12 |
| March 31, 2024 | 215.65 | 214.82 |

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. Net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| March 31, 2025 | 125,411 | 63,647 | 50.6 |
| June 30, 2024 | 112,721 | 60,512 | 53.5 |

Reference: Equity capital: As of March 31, 2025: 63,435 million yen
 As of June 30, 2024: 60,287 million yen

2. Cash dividends

| | Annual dividends | | | | |
|--|-------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended June 30, 2024 | — | 0.00 | — | 286.00 | 286.00 |
| Fiscal year ending June 30, 2025 | — | 0.00 | — | | |
| Fiscal year ending June 30, 2025 (Forecast) | | | | 96.00 | 96.00 |

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None
2. The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. The actual dividend amount before such stock split is presented for the fiscal year ended June 30, 2024. The figures following such stock split are presented for the fiscal year ending June 30, 2025 (forecast). This equates to 288 yen for the forecast annual dividend for the fiscal year ending June 30, 2025 (forecast) if not considering the stock split.
3. The 286 yen year-end dividend for the fiscal year ended June 30, 2024 includes a 30 yen commemorative dividend for listing on the Tokyo Stock Exchange Prime Market.

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | | Net income per share |
|------------------|-----------------|------|------------------|------|-----------------|------|---|------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full fiscal year | 56,000 | 17.8 | 12,000 | 22.3 | 12,000 | 12.3 | 8,400 | 13.4 | 341.94 |

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in scope of consolidation during the period: None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

- (4) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 25,389,636 shares |
| As of June 30, 2024 | 25,389,636 shares |

- b. Number of treasury shares at the end of the period

| | |
|----------------------|----------------|
| As of March 31, 2025 | 813,547 shares |
| As of June 30, 2024 | 836,247 shares |

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | |
|----------------------------------|-------------------|
| Nine months ended March 31, 2025 | 24,565,696 shares |
| Nine months ended March 31, 2024 | 22,460,343 shares |

Note: The Company conducted a stock split of 3 shares for each common share effective July 1, 2024. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period and average number of shares during the period are calculated based on the assumption that such stock split was conducted at the beginning of the previous fiscal year.

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

[Attached Material]

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1. Qualitative information regarding earnings through the first nine months of the fiscal year ending June 30, 2025

(1) Explanation of operating results

As for the business environment surrounding the Company during the first nine months of the fiscal year ending June 30, 2025, the domestic economy has been gradually trending toward recovery, although persistently high prices of energy, raw materials, etc., as well as exchange rate fluctuations, have become factors of uncertainty for corporate earnings. In overseas economies, the United States economy demonstrated resilience due to firm consumer spending and employment environment, and the Chinese economy showed signs of recovery due to the effects of economic policies, although the European economy continued to show signs of an economic slowdown due to sluggish consumer spending and slowing capital investment.

On April 2, 2025, the United States government announced its intention to impose a flat 10% tariff on imports from countries around the world and to discuss the introduction of additional “reciprocal tariffs” with other countries in the future. These measures may impact the export strategy of the Company and other companies, by creating uncertainty in international supply networks and in market conditions, such as precious metal prices and exchange rate levels, and thus the Company is closely monitoring the trends.

Under these circumstances, the Company’s consolidated business results for the period under review were as follows: net sales of 40,808 million yen (up 22.3% YoY), gross profit of 11,312 million yen (up 10.2% YoY), operating income of 8,281 million yen (up 14.5% YoY), ordinary income of 7,809 million yen (up 12.1% YoY), and net income attributable to owners of parent of 5,450 million yen (up 12.5% YoY).

The results by business segment are shown below.

1) Results by segment

[Electronics]

Orders of iridium crucibles for single-crystal growth equipment of scintillators for medical applications (material that emits fluorescence when hit with radiation) remained steady, and orders were strong for iridium crucibles for optical crystal growth equipment for isolators (components that transmit only light traveling in the forward direction and block light traveling in the reverse direction) used in optical communications between data centers, while the recovery continued to lag with orders for iridium crucibles for lithium tantalate single-crystal growth equipment for SAW devices. As a result, net sales were 4,799 million yen (up 3.6% YoY) and gross profit was 1,620 million yen (down 6.7% YoY).

[Thin film]

Orders for sputtering targets for HDDs (hard disk drives) used as storage media continued to be strong against a backdrop of robust data center investment, resulting in net sales of 8,587 million yen (up 36.9% YoY) and gross profit of 3,457 million yen (up 43.5% YoY).

[Thermal]

Despite firm replacement demand for semiconductor manufacturing, new investment restraint and delays, as well as inventory adjustments by semiconductor manufacturing equipment makers and overseas semiconductor manufacturers resulted in net sales of 3,583 million yen (down 16.8% YoY) and gross profit of 1,199 million yen (down 29.7% YoY).

[Fine chemicals/Recycling]

Although the recovery of orders for compounds for OLED remained sluggish due to inventory adjustments by customers, orders for compounds for chemical plants rebounded, and orders for precious metal compounds for electrodes used in caustic soda production, etc. were strong, resulting in net sales of 19,006 million yen (up 46.3% YoY) and gross profit of 4,942 million yen (up 21.9% YoY).

[Supply chain support]

Demand for precious metal raw materials not related to orders for the Company’s products appeared to have come to a pause, resulting in net sales were 4,115 million yen (down 14.3% YoY) and gross profit was 28 million yen (down 285 million yen YoY).

2) Overseas sales

Overseas sales through the period under review were 25,328 million yen (accounting for 62.1% of total sales). By region, sales to Asia were 9,346 million yen (36.9% of overseas sales), sales to Europe were 9,291 million yen (36.7% of overseas sales), and sales to North America were 6,691 million yen (26.4% of overseas sales).

(2) Explanation of financial position

Total assets at the end of the quarter under review were 125,411 million yen (up 12,689 million yen from the previous fiscal year-end). Total liabilities were 61,764 million yen (up 9,554 million yen from the previous fiscal year-end), and net assets were 63,647 million yen (up 3,134 million yen from the previous fiscal year-end).

1) Current assets

The current assets balance at the end of the quarter under review was 101,948 million yen, which was up 10,520 million yen from the previous fiscal year-end. The primary factors behind the increase were an increase of 12,063 million yen in raw materials and supplies, despite a decrease of 2,729 million yen in accounts receivable - trade.

2) Non-current assets

The non-current assets balance at the end of the quarter under review was 23,462 million yen, which was up 2,168 million yen from the previous fiscal year-end. The primary factors behind the increase were an increase of 1,049 million yen in land and an increase of 1,155 million yen in construction in progress.

3) Current liabilities

The current liabilities balance at the end of the quarter under review was 47,876 million yen, which was up 2,927 million yen from the previous fiscal year-end. The primary factors behind the increase were an increase of 7,700 million yen in short-term loans payable, despite a decrease of 3,451 million yen in notes and accounts payable - trade.

4) Non-current liabilities

The non-current liabilities balance at the end of the quarter under review was 13,888 million yen, which was up 6,627 million yen from the previous fiscal year-end. The primary factor behind the increase was an increase of 6,663 million yen in long-term loans payable.

5) Net assets

The net assets balance at the end of the quarter under review was 63,647 million yen, which was up 3,134 million yen from the previous fiscal year-end. The primary factor behind the increase was an increase of 3,109 million yen in retained earnings.

(3) Explanation of forward-looking information including consolidated earnings forecasts

There are no changes to the full-year consolidated earnings forecasts announced in the “Financial Results (Consolidated) for the Fiscal Year Ended June 30, 2024 <Japanese GAAP>” on August 7, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

| | As of June 30, 2024 | As of March 31, 2025 |
|--|---------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,300 | 10,543 |
| Accounts receivable - trade | 6,074 | 3,344 |
| Notes receivable - trade | 178 | 133 |
| Merchandise and finished goods | 3,898 | 5,458 |
| Work in process | 5,015 | 6,677 |
| Raw materials and supplies | 61,301 | 73,365 |
| Consumption taxes receivable | 540 | 1,885 |
| Derivatives | 1,594 | 268 |
| Other | 523 | 271 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current assets | 91,428 | 101,948 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,218 | 4,471 |
| Machinery, equipment and vehicles, net | 9,525 | 9,348 |
| Land | 1,960 | 3,009 |
| Leased assets, net | 838 | 577 |
| Construction in progress | 478 | 1,634 |
| Other, net | 192 | 184 |
| Total property, plant and equipment | 17,213 | 19,226 |
| Intangible assets | | |
| Software in progress | 1,956 | 2,670 |
| Other | 58 | 53 |
| Total intangible assets | 2,014 | 2,723 |
| Investments and other assets | | |
| Investment securities | 44 | 51 |
| Deferred tax assets | 1,728 | 1,196 |
| Other | 293 | 265 |
| Allowance for doubtful accounts | (1) | (1) |
| Total investments and other assets | 2,064 | 1,511 |
| Total non-current assets | 21,293 | 23,462 |
| Total assets | 112,721 | 125,411 |

(Millions of yen)

| | As of June 30, 2024 | As of March 31, 2025 |
|---|---------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 21,792 | 18,341 |
| Accounts payable - other | 3,527 | 2,928 |
| Short-term loans payable | 12,700 | 20,400 |
| Current portion of long-term loans payable | 3,291 | 4,454 |
| Income taxes payable | 1,990 | 348 |
| Provision for bonuses | 461 | 217 |
| Provision for directors' bonuses | 121 | – |
| Accounts payable - facilities | 378 | 417 |
| Lease obligations | 168 | 122 |
| Other | 517 | 645 |
| Total current liabilities | 44,948 | 47,876 |
| Non-current liabilities | | |
| Long-term loans payable | 5,300 | 11,964 |
| Net defined benefit liability | 901 | 965 |
| Asset retirement obligations | 43 | 43 |
| Long-term accounts payable - other | 401 | 401 |
| Lease obligations | 594 | 499 |
| Other | 19 | 14 |
| Total non-current liabilities | 7,260 | 13,888 |
| Total liabilities | 52,209 | 61,764 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 10,662 | 10,662 |
| Capital surplus | 12,313 | 12,348 |
| Retained earnings | 38,526 | 41,635 |
| Treasury shares | (1,323) | (1,287) |
| Total shareholders' equity | 60,178 | 63,359 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2 | 1 |
| Foreign currency translation adjustment | 119 | 89 |
| Remeasurements of defined benefit plans | (13) | (14) |
| Total accumulated other comprehensive income | 108 | 76 |
| Subscription rights to shares | 83 | 77 |
| Non-controlling interests | 141 | 134 |
| Total net assets | 60,512 | 63,647 |
| Total liabilities and net assets | 112,721 | 125,411 |

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)

(Millions of yen)

| | Nine months ended March 31, 2024 | Nine months ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 33,359 | 40,808 |
| Cost of sales | 23,098 | 29,496 |
| Gross profit | 10,260 | 11,312 |
| Selling, general and administrative expenses | 3,028 | 3,031 |
| Operating income | 7,232 | 8,281 |
| Non-operating income | | |
| Rental income from buildings | 11 | 16 |
| Foreign exchange gains | 673 | 1,817 |
| Other | 8 | 14 |
| Total non-operating income | 692 | 1,849 |
| Non-operating expenses | | |
| Interest expenses | 641 | 944 |
| Loss on valuation of derivatives | 258 | 1,326 |
| Other | 60 | 49 |
| Total non-operating expenses | 960 | 2,320 |
| Ordinary income | 6,965 | 7,809 |
| Income before income taxes | 6,965 | 7,809 |
| Income taxes - current | 2,054 | 1,833 |
| Income taxes - deferred | 75 | 532 |
| Total income taxes | 2,129 | 2,366 |
| Net income | 4,835 | 5,442 |
| Loss attributable to non-controlling interests | (8) | (7) |
| Net income attributable to owners of parent | 4,843 | 5,450 |

(Quarterly consolidated statements of comprehensive income)

(Millions of yen)

| | Nine months ended March 31, 2024 | Nine months ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net income | 4,835 | 5,442 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (0) | (1) |
| Foreign currency translation adjustment | 14 | (30) |
| Remeasurements of defined benefit plans, net of tax | 16 | (1) |
| Total other comprehensive income | 30 | (32) |
| Comprehensive income | 4,865 | 5,410 |
| Comprehensive income attributable to | | |
| Owners of parent | 4,873 | 5,417 |
| Non-controlling interests | (8) | (7) |

(3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

No items to report.

(Additional information)

(Reclassification between inventories and non-current assets)

The Group has reviewed the usage status of its precious metal assets and reclassified part of them between inventories and property, plant and equipment due to a change in holding purpose.

In the first nine months of the fiscal year ending June 30, 2025, the Group reclassified part of property, plant and equipment into inventories and part of inventories into property, plant and equipment, due to a change in the purpose of holding them. This has resulted in an increase of 45 million yen in raw materials and supplies, a decrease of 96 million yen in machinery, equipment and vehicles, and a decrease of 43 million yen in merchandise and finished goods. In addition, work in process decreased by 671 million yen, and construction in progress increased by 766 million yen.

| | First nine months of the fiscal year ended June 30, 2024 (from July 1, 2023 to March 31, 2024) | Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024) | First nine months of the fiscal year ending June 30, 2025 (from July 1, 2024 to March 31, 2025) |
|--------------------------------------|---|--|--|
| | Change (Millions of yen) | Change (Millions of yen) | Change (Millions of yen) |
| Merchandise and finished goods | (166) | (234) | (43) |
| Raw materials and supplies | 134 | 249 | 45 |
| Work in process | 246 | 257 | (671) |
| Machinery, equipment and vehicles | 12 | 28 | (96) |
| Construction in progress | (226) | (300) | 766 |

(Segment information and other data)

[Segment information]

I. First nine months of the fiscal year ended June 30, 2024 (from July 1, 2023 to March 31, 2024)

1. Information on the amounts of net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

| | Reportable segment | | | | | | Other (Note 1) | Total (Note 2) |
|---------------------------------------|--------------------|-----------|---------|------------------------------|----------------------|--------|-------------------|-------------------|
| | Electronics | Thin film | Thermal | Fine chemicals/ Recycling | Supply chain support | Total | | |
| Net sales | | | | | | | | |
| Japan | 1,981 | 1,779 | 3,118 | 8,466 | 1,987 | 17,334 | 78 | 17,412 |
| Asia (Other than Japan) | 54 | 3,146 | 1,024 | 55 | 2,815 | 7,096 | 280 | 7,376 |
| Europe | 18 | 276 | 38 | 3,012 | – | 3,346 | – | 3,346 |
| North America | 2,577 | 1,069 | 124 | 1,453 | – | 5,224 | – | 5,224 |
| Revenue from contracts with customers | 4,631 | 6,271 | 4,305 | 12,987 | 4,803 | 33,000 | 358 | 33,359 |
| Sales to external customers | 4,631 | 6,271 | 4,305 | 12,987 | 4,803 | 33,000 | 358 | 33,359 |
| Intersegment sales or transfers | – | – | – | – | – | – | – | – |
| Total | 4,631 | 6,271 | 4,305 | 12,987 | 4,803 | 33,000 | 358 | 33,359 |
| Segment profit | 1,737 | 2,409 | 1,705 | 4,055 | 313 | 10,220 | 40 | 10,260 |

Note 1. The category “Other” is the operating segment not included in the reportable segments, and mainly includes the sale of purchased products.

Note 2. The total segment profit is consistent with gross profit as recorded in the quarterly consolidated statements of income for the nine months ended March 31, 2024.

II. First nine months of the fiscal year ending June 30, 2025 (from July 1, 2024 to March 31, 2025)

1. Information on the amounts of net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

| | Reportable segment | | | | | | Other (Note 1) | Total (Note 2) |
|---------------------------------------|--------------------|-----------|---------|------------------------------|----------------------|--------|-------------------|-------------------|
| | Electronics | Thin film | Thermal | Fine chemicals/ Recycling | Supply chain support | Total | | |
| Net sales | | | | | | | | |
| Japan | 2,684 | 1,921 | 1,998 | 8,372 | 212 | 15,189 | 290 | 15,480 |
| Asia (Other than Japan) | 31 | 4,037 | 1,431 | 258 | 3,160 | 8,920 | 425 | 9,346 |
| Europe | 6 | 628 | 26 | 7,887 | 742 | 9,291 | – | 9,291 |
| North America | 2,076 | 1,999 | 126 | 2,488 | – | 6,691 | – | 6,691 |
| Revenue from contracts with customers | 4,799 | 8,587 | 3,583 | 19,006 | 4,115 | 40,092 | 716 | 40,808 |
| Sales to external customers | 4,799 | 8,587 | 3,583 | 19,006 | 4,115 | 40,092 | 716 | 40,808 |
| Intersegment sales or transfers | – | – | – | – | – | – | – | – |
| Total | 4,799 | 8,587 | 3,583 | 19,006 | 4,115 | 40,092 | 716 | 40,808 |
| Segment profit | 1,620 | 3,457 | 1,199 | 4,942 | 28 | 11,248 | 63 | 11,312 |

Note 1. The category “Other” is the operating segment not included in the reportable segments, and mainly includes the sale of purchased products.

Note 2. The total segment profit is consistent with gross profit as recorded in the quarterly consolidated statements of income for the nine months ended March 31, 2025.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the period under review. Depreciation (including amortization related to intangible assets) for the first nine months of the current and previous fiscal years are as follows.

| | (Millions of yen) | |
|--------------|--|---|
| | First nine months of the fiscal year ended June 30, 2024 (from July 1, 2023 to March 31, 2024) | First nine months of the fiscal year ending June 30, 2025 (from July 1, 2024 to March 31, 2025) |
| Depreciation | 904 | 944 |

(Significant subsequent events)

No items to report.