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May 12, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 5715  
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Scheduled date of annual general meeting of shareholders: June 29, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 Scheduled date to file annual securities report: June 29, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	214,190	7.6	9,031	16.8	9,348	3.9	6,211	(4.1)
March 31, 2022	199,097	24.7	7,734	38.3	8,996	32.8	6,477	(13.3)

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥ 8,830 million [10.1%]  
 For the fiscal year ended March 31, 2022: ¥ 8,021 million [(56.7)%]

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, 2023	161.97	–	6.2	4.0	4.2
March 31, 2022	165.87	–	6.9	4.0	3.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023: ¥ (860) million

For the fiscal year ended March 31, 2022: ¥ 370 million



\* 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, 2023	40,445,568 shares
As of March 31, 2022	40,445,568 shares

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

As of March 31, 2023	2,329,563 shares
As of March 31, 2022	1,621,936 shares

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

Fiscal year ended March 31, 2023	38,351,979 shares
Fiscal year ended March 31, 2022	39,054,524 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

**(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, 2023	7,834	2.2	3,254	4.8	3,195	(12.7)	3,073	4.1
March 31, 2022	7,663	(9.4)	3,106	(26.8)	3,659	(23.2)	2,951	(59.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	80.14	—
March 31, 2022	75.58	—

**(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, 2023	149,860	65,727	43.9	1,724.42
March 31, 2022	148,144	64,968	43.9	1,673.42

Reference: Equity

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

As of March 31, 2022: ¥ 64,968 million

**2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)**

(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, 2023	4,800	(10.1)	2,300	(22.7)	2,400	(21.6)	2,200	(23.0)	57.72
Fiscal year ending March 31, 2024	7,200	(8.1)	2,300	(29.3)	2,200	(31.2)	2,000	(34.9)	52.47

\* 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.

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## 1. Performance Overview

### (1) Operating results

#### (i) Overview

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Net sales	199,097	214,190	15,093
Operating profit	7,734	9,031	1,297
Ordinary profit	8,996	9,348	351
Profit attributable to owners of parent	6,477	6,211	(266)

During the fiscal year under review (April 1, 2022–March 31, 2023), the Japanese economy showed signs of a turnaround, partly due to various government policies aimed at coexisting with COVID-19. Non-manufacturing industries have continued to see profit growth as service consumption and inbound demand recover. On the other hand, corporate earnings in the manufacturing sector, which were strong in the first half of the year on the back of rising exports stemming from recovery in overseas demand, have recently weakened, especially in the materials sector. This is due to the yen's depreciation and soaring raw material costs caused by higher resource prices. Meanwhile, ongoing global monetary tightening and other factors have led to an increase in downside risks, including slowdowns in overseas economies, particularly in Europe and the United States. Accordingly, the business environment remains highly uncertain.

Under these economic conditions, the Furukawa Company Group posted consolidated net sales of ¥214,190 million, an increase of ¥15,093 million year on year, and operating profit of ¥9,031 million, an increase of ¥1,297 million. In the Machinery business, the Industrial Machinery segment and the Rock Drill Machinery segment both reported increases in sales and operating profit, while the UNIC Machinery segment posted declines in sales and operating profit. Nevertheless, the Machinery business as a whole enjoyed increases in both sales and operating profit. In the Materials business, the Metals segment reported higher sales and operating profit, the Electronics segment lower sales and operating profit, and the Chemicals segment higher sales and lower operating profit. Accordingly, the Materials business as a whole posted an increase in sales and a decrease in operating profit. Meanwhile, the Real Estate business reported a decrease in sales and an increase in operating profit.

Within non-operating income, we posted foreign exchange gains of ¥1,462 million. As a result, ordinary profit amounted to ¥9,348 million, an increase of ¥351 million year on year. Within extraordinary income, we posted a ¥362 million gain on sales of investment securities, and within extraordinary expenses we posted a ¥470 million loss corresponding to progress of demolition work on the Furukawa Osaka Building. Accordingly, profit attributable to owners of parent was ¥6,211 million, a decrease of ¥266 million.

#### (ii) Results by business segment

##### *Industrial Machinery*

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	17,723	17,943	220
Operating profit	1,396	1,515	118

Sales in the Industrial Machinery segment amounted to ¥17,943 million, an increase of ¥220 million year on year, and operating profit was ¥1,515 million, an increase of ¥118 million. The order backlog at year-end was higher than a year earlier due to orders received related to highway bridges and stone crushing plants etc. Sales of pump plants, environmental products, and bridge structures increased, while those of material machinery decreased. Regarding large-scale projects, we recorded sales corresponding to progress, including of SICON<sup>®</sup> enclosed hanging belt

conveyors for the construction of the Shin-Kobotoke Tunnel on the Chuo Expressway, but overall sales declined due to the postponement of various projects.

### **Rock Drill Machinery**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	30,910	35,752	4,841
Operating profit	1,117	3,030	1,913

Sales in the Rock Drill Machinery segment amounted to ¥35,752 million, an increase of ¥4,841 million, and operating profit was ¥3,030 million, an increase of ¥1,913 million. In Japan, both sales and profit increased thanks to various factors. These included growth in shipments of large models of hydraulic breakers, a shift to highly functional models of tunnel drill jumbos, an increase in shipments of ancillary parts, and an increase in the number of custom-ordered machines serviced. Overseas, we reported higher sales and profit, mainly due to increased shipments of hydraulic breakers, hydraulic crawler drills, and ancillary parts to North America, as well as the positive impact of the weak yen on revenue.

### **UNIC Machinery**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	28,305	27,961	(343)
Operating profit	2,165	1,547	(617)

Sales in the UNIC Machinery segment amounted to ¥27,961 million, a decrease of ¥343 million, and operating profit was ¥1,547 million, a decrease of ¥617 million. In Japan, we reported a decrease in sales mainly due to delays in crane installations stemming from delays and cutbacks in truck production. We also posted a decrease in profit due to a deteriorating cost ratio caused by price hikes of steel and other raw materials. Overseas, we recorded increases in both sales and profit thanks to higher shipments of mini-crawler cranes in Europe and the United States and UNIC cranes in Southeast Asia, Oceania, and the Middle East.

### **[Machinery Business Total]**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Net sales	76,938	81,658	4,719
Operating profit	4,679	6,093	1,414

Total sales of the Machinery business—consisting of the Industrial Machinery, Rock Drill Machinery, and UNIC Machinery segments—amounted to ¥81,658 million, an increase of ¥4,719 million year on year, and operating profit was ¥6,093 million, an increase of ¥1,414 million.

### **Metals**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	102,995	111,424	8,429
Operating profit	940	1,276	336

Sales in the Metals segment amounted to ¥111,424 million, an increase of ¥8,429 million, and operating profit was ¥1,276 million, an increase of ¥336 million. The overseas market price of electrolytic copper started at US\$10,247/ton but declined to US\$7,000/ton on July 15 due to accelerated monetary tightening measures by major central banks and China's zero-COVID policy. Subsequently, the price temporarily recovered to the US\$9,400/ton range in January 2023, supported by expectations of a recovery in demand in China and a slowdown in interest rate hikes in the United States, but ended the fiscal year at US\$8,935/ton. Despite a decline in the sales volume of electrolytic copper, we achieved an increase in sales that was helped by a rise in the sales volume of electrolytic gold coupled with the weaker yen.

### **Electronics**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	7,271	6,926	(345)
Operating profit	666	500	(165)

Sales in the Electronics segment amounted to ¥6,926 million, a decrease of ¥345 million, and operating profit was ¥500 million, a decrease of ¥165 million. Sales of high-purity metallic arsenic decreased as the market for compound semiconductors, a major application for that material, entered an inventory adjustment phase both in Japan and overseas. Sales of aluminium nitride ceramics increased due to firm demand for their application in thermal management components and semiconductor manufacturing equipment components. We posted a decline in sales of coils due to cutbacks in automobile production stemming from a shortage of semiconductors and other factors.

### **Chemicals**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	7,896	8,454	557
Operating profit	743	532	(210)

Sales in the Chemicals segment amounted to ¥8,454 million, an increase of ¥557 million, while operating profit was ¥532 million, a decrease of ¥210 million. Sales of cupric oxide sales decreased year on year due to a decline in demand related to PCs and lower sales volumes. This was despite higher unit prices stemming mainly from rising copper prices. Meanwhile, sales of cuprous oxide increased on the back of a recovery in demand for ship bottom paints, a major application for that product, as well as higher unit prices, mainly due to increasing copper prices. On the other hand, segment operating profit declined due to higher manufacturing costs caused by soaring raw material costs and other factors.

### **[Materials Business Total]**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Net sales	118,163	126,804	8,640
Operating profit	2,349	2,309	(40)

Total sales of the Materials business—consisting of the Metals, Electronics, and Chemicals segments—amounted to ¥126,804 million, an increase of ¥8,640 million year on year, and operating profit was ¥2,309 million, a decrease of ¥40 million.

**Real Estate**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	2,115	2,056	(58)
Operating profit	743	835	92

Sales in the Real Estate business amounted to ¥2,056 million, a decrease of ¥58 million, and operating profit was ¥835 million, an increase of ¥92 million. Revenue from the Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, increased thanks to the lifting of behavioral restrictions and the elimination of partial exemptions for rent payments given to commercial tenants, although the commercial facility market did not recover to pre-COVID-19 levels. On the other hand, overall rental revenues declined mainly due to a decrease in business office rent revenues.

**Others**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Sales	1,879	3,671	1,791
Operating profit	17	(133)	(150)

This segment covers metal powder, casting, transportation, and other businesses. We posted sales of ¥3,671 million, an increase of ¥1,791 million year on year, and an operating loss of ¥133 million, compared with operating profit of ¥17 million in the previous fiscal year.

**(iii) Outlook for the next fiscal year**

For the fiscal year ending March 31, 2024, we forecast consolidated net sales of ¥184,500 million, a decrease of ¥29,690 million year on year, and operating profit of ¥9,200 million, an increase of ¥168 million. Our forecasts by business segment are described below.

In the Industrial Machinery segment, we forecast an increase in sales underpinned by higher sales of pumps and material machinery to meet replacement demand for aging facilities, as well as higher sales of bridge structures. Despite the forecast increase in sales, we expect segment operating profit to remain mostly unchanged overall due to a decrease in sales of environmental products, which are relatively profitable.

In the Rock Drill Machinery segment, we expect a decline in sales related to tunnel drill jumbos due mainly to delays in the construction of the Linear Chuo Shinkansen. However, we look forward to increased sales in North America, where we are developing the market for large machinery, and in Southeast Asia, where orders for hydraulic crawler drills have been strong. While we forecast overall segment sales to increase slightly, we expect segment operating profit to remain mostly unchanged compared with the fiscal year under review, when the weak yen had a positive impact on revenue.

In the UNIC Machinery segment, we anticipate a significant increase in sales in Japan, where our business is now recovering from truck production delays and cuts, which previously affected crane installations. For the overall segment, we forecast increases in both sales and operating profit.

For the Metals segment, our projections are based on an assumed copper price of US\$8,000/ton and an exchange rate of ¥135/US\$1. We forecast a year-on-year decline in segment sales, due mainly to a decrease in sales volume of electrolytic copper stemming from the termination of our copper smelting contract with Onahama Smelting and Refining Co., Ltd. Despite an expected improvement in the profit/loss position of our entrusted business, we forecast a decline in segment operating profit due to the absence of benefits from copper price margin profit.

In the Electronics segment, we do not expect demand for high-purity metallic arsenic to recover until the second half of the year or later due to the sluggish semiconductor market. Nevertheless, we look forward to increased sales of aluminium nitride ceramics, which will benefit from capital investments aimed at boosting production capacity, as well as higher sales of coils on the back of a recovering automobile market. Overall, for the segment we forecast an increase in sales but a decrease in operating profit due to soaring electricity and raw material prices.

In the Chemicals segment, we forecast growth in sales due partly to higher sales of cupric oxide, which is attracting strong demand for use in module substrates for cloud servers. We also project an increase in segment operating profit.

In the Real Estate business, we expect a decrease in revenue from Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, due to a decline in floor space occupied by office tenants and lower unit rent prices. Accordingly, we forecast declines in both segment sales and segment operating profit.

As a result, we forecast ordinary profit of ¥9,200 million, a decrease of ¥148 million from the fiscal year under review (when we benefited from foreign exchange gains and other factors), and profit attributable to owners of parent of ¥6,000 million, a decrease of ¥211 million.

## (2) Financial position

### (i) Assets, liabilities, and net assets

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Total assets	229,727	232,745	3,017
Liabilities	129,652	126,695	(2,957)
(Interest-bearing debt)	65,671	62,848	(2,822)
Net assets	100,075	106,050	5,975
Equity-to-asset ratio (%)	42.3	44.2	1.9

As of March 31, 2023, total assets amounted to ¥232,745 million, an increase of ¥3,017 million from a year earlier. This was mainly due to an increase in notes and accounts receivable—trade and contract assets, which contrasted with declines in cash and deposits and raw materials and supplies, as well as a decrease in investment securities due mainly to the sale of such securities. Interest-bearing debt (borrowings) totaled ¥62,848 million, a decrease of ¥2,822 million. Total liabilities at fiscal year-end amounted to ¥126,695 million, a decrease of ¥2,957 million. This mainly reflected decreases in notes and accounts payable—trade and accounts payable—other. Net assets totaled ¥106,050 million, an increase of ¥5,975 million, and the equity-to-asset ratio was 44.2%, up 1.9 percentage points.

### (ii) Cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Year-on-year change
Cash flows from operating activities	8,768	6,148	(2,620)
Cash flows from investing activities	(5,857)	(1,617)	4,239
Cash flows from financing activities	(6,568)	(5,934)	633
Cash and cash equivalents	14,468	13,606	(862)

Net cash provided by operating activities amounted to ¥6,148 million, mainly reflecting profit before income taxes. Net cash used in investing activities totaled ¥1,617 million, mainly due to the purchase of property, plant and equipment. Net cash used in financing activities was ¥5,934 million, mainly due to repayments of borrowings and dividends paid. As a result, cash and cash

equivalents at end of period amounted to ¥13,606 million, a decrease of ¥862 million from a year earlier.

### (iii) Trends in cash flow indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity-to-asset ratio (%)	36.0	42.0	42.3	44.2
Market value equity ratio (%)	19.8	23.9	21.8	20.9
Debt repayment ratio (Years)	8.4	11.5	7.5	10.2
Interest coverage ratio (Times)	16.4	13.1	20.4	12.4

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 (borrowings) 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, 2023 and the fiscal year ending March 31, 2024

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 per fiscal year of approximately ¥1.0 billion.

For the fiscal year ended March 31, 2023, we plan to pay year-end dividends of ¥50.00 per share.

For the fiscal year ending March 31, 2024, we forecast no dividends in the second quarter and year-end dividends of ¥50.00 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,469	13,606
Notes and accounts receivable - trade, and contract assets	28,344	35,502
Merchandise and finished goods	17,205	18,705
Work in process	10,813	12,213
Raw materials and supplies	20,818	15,584
Other	4,635	4,318
Allowance for doubtful accounts	(48)	(47)
Total current assets	96,238	99,882
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,051	23,435
Machinery, equipment and vehicles, net	8,789	9,384
Land	54,170	53,910
Leased assets, net	429	463
Construction in progress	517	900
Other, net	3,018	2,888
Total property, plant and equipment	90,976	90,981
Intangible assets	376	317
Investments and other assets		
Investment securities	35,860	34,711
Long-term loans receivable	4,495	4,573
Deferred tax assets	351	749
Retirement benefit asset	403	351
Other	1,746	1,947
Allowance for doubtful accounts	(720)	(769)
Total investments and other assets	42,136	41,563
Total non-current assets	133,489	132,862
Total assets	229,727	232,745

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,916	14,397
Electronically recorded obligations - operating	9,381	9,244
Short-term borrowings	13,504	16,607
Lease liabilities	188	186
Accounts payable - other	13,310	12,806
Income taxes payable	1,491	1,711
Provision for bonuses	138	137
Provision for loss on construction contracts	-	6
Provision for environmental measures	3	58
Other	5,924	7,954
<b>Total current liabilities</b>	<b>59,859</b>	<b>63,111</b>
Non-current liabilities		
Long-term borrowings	52,166	46,240
Lease liabilities	302	387
Deferred tax liabilities	10,501	10,141
Deferred tax liabilities for land revaluation	1,399	1,367
Retirement benefit liability	2,543	2,481
Provision for environmental measures	58	-
Other provisions	16	97
Asset retirement obligations	239	228
Other	2,565	2,638
<b>Total non-current liabilities</b>	<b>69,793</b>	<b>63,583</b>
<b>Total liabilities</b>	<b>129,652</b>	<b>126,695</b>
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	54,557	58,847
Treasury shares	(2,197)	(3,086)
<b>Total shareholders' equity</b>	<b>80,570</b>	<b>83,971</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,832	12,320
Deferred gains or losses on hedges	(292)	(77)
Revaluation reserve for land	2,602	2,582
Foreign currency translation adjustment	35	1,564
Remeasurements of defined benefit plans	2,506	2,584
<b>Total accumulated other comprehensive income</b>	<b>16,683</b>	<b>18,974</b>
Non-controlling interests	2,821	3,103
<b>Total net assets</b>	<b>100,075</b>	<b>106,050</b>
<b>Total liabilities and net assets</b>	<b>229,727</b>	<b>232,745</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	199,097	214,190
Cost of sales	172,995	185,575
Gross profit	26,101	28,615
Selling, general and administrative expenses		
Freight and incidental costs	2,465	3,005
Salaries, allowances and bonuses	7,557	7,910
Provision for bonuses	108	78
Provision for retirement benefits	629	525
Provision of allowance for doubtful accounts	16	10
Research and development expenses	1,053	1,055
Other	6,535	6,998
Total selling, general and administrative expenses	18,366	19,583
Operating profit	7,734	9,031
Non-operating income		
Dividend income	752	847
Share of profit of entities accounted for using equity method	370	-
Foreign exchange gains	677	1,462
Other	1,244	836
Total non-operating income	3,044	3,146
Non-operating expenses		
Interest expenses	427	501
Share of loss of entities accounted for using equity method	-	860
Administrative expenses of inactive mountain	812	814
Other	543	654
Total non-operating expenses	1,782	2,829
Ordinary profit	8,996	9,348
Extraordinary income		
Gain on sale of non-current assets	76	47
Gain on sale of investment securities	92	362
Gain on bargain purchase	833	-
Other	111	0
Total extraordinary income	1,113	410
Extraordinary losses		
Loss on sale and retirement of non-current assets	157	302
Impairment losses	11	133
Loss on liquidation of subsidiaries	-	324
Demolition expenses of a rental building	668	470
Other	135	19
Total extraordinary losses	972	1,252
Profit before income taxes	9,137	8,506
Income taxes - current	2,715	2,811
Income taxes - deferred	(264)	(762)
Total income taxes	2,450	2,049
Profit	6,686	6,457
Profit attributable to non-controlling interests	208	245
Profit attributable to owners of parent	6,477	6,211

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	6,686	6,457
Other comprehensive income		
Valuation difference on available-for-sale securities	527	491
Deferred gains or losses on hedges	(483)	106
Foreign currency translation adjustment	723	1,413
Remeasurements of defined benefit plans, net of tax	547	77
Share of other comprehensive income of entities accounted for using equity method	20	282
Total other comprehensive income	1,335	2,373
Comprehensive income	8,021	8,830
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,771	8,522
Comprehensive income attributable to non-controlling interests	250	308

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,208	2	50,025	(1,862)	76,373
Changes during period					
Dividends of surplus			(1,953)		(1,953)
Profit attributable to owners of parent			6,477		6,477
Purchase of treasury shares				(334)	(334)
Reversal of revaluation reserve for land			7		7
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,531	(334)	4,196
Balance at end of period	28,208	2	54,557	(2,197)	80,570

	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	11,303	351	2,609	(826)	1,959	15,396	2,594	94,364
Changes during period								
Dividends of surplus								(1,953)
Profit attributable to owners of parent								6,477
Purchase of treasury shares								(334)
Reversal of revaluation reserve for land								7
Net changes in items other than shareholders' equity	528	(644)	(7)	862	547	1,286	227	1,513
Total changes during period	528	(644)	(7)	862	547	1,286	227	5,710
Balance at end of period	11,832	(292)	2,602	35	2,506	16,683	2,821	100,075

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

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,137	8,506
Depreciation	4,003	4,114
Loss (gain) on sale of property, plant and equipment	81	255
Loss (gain) on sale of investment securities	(92)	(362)
Share of loss (profit) of entities accounted for using equity method	(370)	860
Gain on bargain purchase	(833)	–
Increase (decrease) in retirement benefit liability	433	226
Interest and dividend income	(878)	(1,110)
Interest expenses	427	501
Decrease (increase) in trade receivables	345	(6,798)
Decrease (increase) in inventories	(10,328)	3,219
Increase (decrease) in trade payables	5,955	(2,143)
Increase (decrease) in accounts payable - other	3,700	(1,119)
Other, net	(877)	2,743
Subtotal	10,703	8,892
Interest and dividends received	885	1,073
Interest paid	(429)	(494)
Income taxes paid	(2,484)	(3,400)
Other, net	94	76
Net cash provided by (used in) operating activities	8,768	6,148
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,507)	(3,361)
Proceeds from sale of property, plant and equipment	91	239
Payments for retirement of property, plant and equipment	(123)	(261)
Proceeds from sale of investment securities	107	1,380
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(352)	–
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	–	420
Other, net	(71)	(34)
Net cash provided by (used in) investing activities	(5,857)	(1,617)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	15,957	57,408
Repayments of short-term borrowings	(16,062)	(58,300)
Proceeds from long-term borrowings	220	3,200
Repayments of long-term borrowings	(4,140)	(5,176)
Repayments of finance lease liabilities	(232)	(208)
Purchase of treasury shares	(334)	(888)
Dividends paid	(1,953)	(1,942)
Other, net	(22)	(25)
Net cash provided by (used in) financing activities	(6,568)	(5,934)
Effect of exchange rate change on cash and cash equivalents	377	541
Net increase (decrease) in cash and cash equivalents	(3,279)	(862)
Cash and cash equivalents at beginning of period	17,748	14,468
Cash and cash equivalents at end of period	14,468	13,606

**(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, and other industrial machinery, 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, 2022

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	17,723	30,910	28,305	102,995	7,271	7,896
Intersegment net sales or transfers	2,867	2	100	228	0	55
Total	20,590	30,913	28,405	103,223	7,272	7,951
Segment profit (loss)	1,396	1,117	2,165	940	666	743
Segment assets	23,862	36,081	30,259	35,649	7,857	16,949
Other items						
Depreciation	466	901	1,116	179	298	237
Amortization of goodwill	–	–	7	–	–	–
Investments in entities accounted for using equity method	–	–	129	3,399	231	–
Increase in property, plant and equipment and intangible assets	1,703	247	718	325	265	105

	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	2,115	197,217	1,879	199,097	–	199,097
Intersegment net sales or transfers	13	3,268	1,623	4,891	(4,891)	–
Total	2,128	200,486	3,502	203,989	(4,891)	199,097
Segment profit (loss)	743	7,772	17	7,789	(54)	7,734
Segment assets	26,660	177,321	4,434	181,756	47,971	229,727
Other items						
Depreciation	419	3,619	92	3,712	47	3,759
Amortization of goodwill	–	7	–	7	–	7
Investments in entities accounted for using equity method	–	3,760	160	3,920	–	3,920
Increase in property, plant and equipment and intangible assets	595	3,961	45	4,006	772	4,778

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

2. Eliminations/corporate are as follows:

(1) Segment profit (loss) adjustment of ¥(54) million includes eliminations of intersegment transactions of ¥47 million and company-wide expenses not allocated to each reportable segment of ¥(102) 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 ¥47,971 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, 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 powders 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.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	2,505.01	2,700.87
Basic earnings per share	165.87	161.97

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, 2022	Fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	6,477	6,211
Profit (loss) not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	6,477	6,211
Average number of outstanding common shares during the period (Thousands of shares)	39,054	38,351

**Material subsequent events**

Not applicable.

**Supplementary Material on Financial Results  
for the Fiscal Year Ended March 31, 2023**

May 12, 2023  
Furukawa Co., Ltd.

## Net sales

(Yen amounts are rounded down to millions.)

	Fiscal year ended March 31, 2023	Year-on-year change
Machinery business	81,658	4,719
Industrial Machinery segment	17,943	220
Rock Drill Machinery segment	35,752	4,841
UNIC Machinery segment	27,961	(343)
Materials business	126,804	8,640
Metals segment	111,424	8,429
Electronics segment	6,926	(345)
Chemicals segment	8,454	557
Real Estate segment	2,056	(58)
Others segment	3,671	1,791
Total	214,190	15,093

Fiscal year ending March 31, 2024	
Forecast	Year-on-year change
87,000	5,341
18,500	556
36,000	247
32,500	4,538
91,600	(35,204)
74,800	(36,624)
7,700	773
9,100	645
1,700	(356)
4,200	528
184,500	(29,690)

## Operating profit

	Fiscal year ended March 31, 2023	Year-on-year change
Machinery business	6,093	1,414
Industrial Machinery segment	1,515	118
Rock Drill Machinery segment	3,030	1,913
UNIC Machinery segment	1,547	(617)
Materials business	2,309	(40)
Metals segment	1,276	336
Electronics segment	500	(165)
Chemicals segment	532	(210)
Real Estate segment	835	92
Others segment	(133)	(150)
(Subtotal)	9,104	1,315
Eliminations/corporate	(73)	(18)
Total	9,031	1,297

Fiscal year ending March 31, 2024	
Forecast	Year-on-year change
7,400	1,306
1,500	(15)
3,100	69
2,800	1,252
1,600	(709)
500	(776)
400	(100)
700	167
400	(435)
(150)	(16)
9,250	145
(50)	23
9,200	168

## Exchange rate/Copper price

	Fiscal year ended March 31, 2023	Year-on-year change
Exchange rate Yen/\$	135.5	23.1
Copper price \$/mt	8,551	(1,140)

Fiscal year ending March 31, 2024	
Forecast	Year-on-year change
135.0	(0.5)
8,000	(551)

\* 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, 2023	Year-on-year change
Order backlog	¥14.2 billion	¥4.8 billion

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

	Fiscal year ended March 31, 2023	Year-on-year change
Operating profit	¥1.27 billion	¥0.33 billion
Of which was due to price fluctuations	¥1.18 billion	¥(0.33) billion
Copper	[¥0.07 billion]	[¥(1.10) billion]
Gold	[¥1.02 billion]	[¥0.75 billion]