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November 9, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Furukawa Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5715
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Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	94,793	(9.4)	4,599	36.4	6,074	16.4	12,911	274.4
September 30, 2022	104,576	6.9	3,372	(3.2)	5,219	27.6	3,448	49.2

Note: Comprehensive income For the six months ended September 30, 2023: ¥ 18,699 million [274.6%]
 For the six months ended September 30, 2022: ¥ 4,992 million [157.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	341.52	–
September 30, 2022	89.37	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	249,979	121,196	47.2
March 31, 2023	232,745	106,050	44.2

Reference: Equity

As of September 30, 2023: ¥ 117,929 million

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

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2024	–	0.00			
Fiscal year ending March 31, 2024 (Forecast)			–	50.00	50.00

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

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	190,000	(11.3)	9,700	7.4	10,500	12.3	16,500	165.6	443.67

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

* Notes

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

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

As of September 30, 2023	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 September 30, 2023	3,255,387 shares
As of March 31, 2023	2,329,563 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	37,807,375 shares
Six months ended September 30, 2022	38,587,836 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

- (1) Caution concerning forward-looking statements

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

Please refer to “1. Performance Overview, (3) Outlook” on page 6 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

Matters concerning forward-looking statements in the text are according to the judgment as of the end of the second quarter of the fiscal year ending March 31, 2024.

(1) Operating results

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Net sales	104,576	94,793	(9,783)
Operating profit	3,372	4,599	1,227
Ordinary profit	5,219	6,074	855
Profit attributable to owners of parent	3,448	12,911	9,463

In the first two quarters under review (April 1–September 30, 2023), the Japanese economy experienced a moderate recovery due to various government policies amid improving employment and income conditions. In the non-manufacturing sector, corporate profits continued to increase owing to a recovery in service and inbound demand. However, a slowdown in overseas economies put downward pressure on earnings in the manufacturing sector amid continued global monetary tightening and other factors.

In this economic environment, the Furukawa Company Group posted consolidated net sales of ¥94,793 million, a decrease of ¥9,783 million from the previous corresponding period, and operating profit of ¥4,599 million, an increase of ¥1,227 million. In the Machinery business, the Industrial Machinery segment reported year-on-year declines in sales and operating profit, the Rock Drill Machinery segment increases in sales and operating profit, and the UNIC Machinery segment higher sales and lower operating profit. Overall, the Machinery business reported increases in both sales and operating profit. In the Materials business, the Metals segment posted lower sales and higher operating profit, the Electronics segment lower sales and operating profit, and the Chemicals segment higher sales and operating profit. As a result, the Materials business as a whole posted lower sales and higher operating profit. The Real Estate business reported declines in both sales and operating profit. Within non-operating income, we posted foreign exchange gains of ¥1,080 million. As a result, ordinary profit amounted to ¥6,074 million, an increase of ¥855 million year on year. Among extraordinary income we posted a ¥13,423 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. Accordingly, profit attributable to owners of parent was ¥12,911 million, an increase of ¥9,463 million.

The net sales and operating profit for the reportable segments are as follows:

Industrial Machinery

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	7,862	6,054	(1,807)
Operating profit	13	(283)	(296)

The Industrial Machinery segment posted sales of ¥6,054 million, a decrease of ¥1,807 million year on year, and an operating loss of ¥283 million, compared with operating profit of ¥13 million in the previous corresponding period. The order backlog at the end of the period (September 30, 2023) was higher than the end of the previous fiscal year (March 31, 2023), due mainly to orders received for the Hachioji South Bypass Ofuna-Terada Viaduct and other projects related to bridges. As for revenue, sales of material machinery decreased due to lower sales of main units, while sales of pump products and equipment also declined. In the infrastructure business, we reported sales corresponding to progress of bridge-related projects, including the Shimizu IC No. 3 Viaduct Steel Upper Structure and the Tokai Kanjo Daian Viaduct, but overall sales declined due to a decrease in

construction work on large-scale projects. On the earnings side, we reported a loss on sales of material machinery due to delays in plant construction, which incurred additional costs.

Rock Drill Machinery

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	18,003	19,961	1,957
Operating profit	1,057	2,146	1,089

Sales in the Rock Drill Machinery segment totaled ¥19,961 million, an increase of ¥1,957 million year on year, and operating profit was ¥2,146 million, an increase of ¥1,089 million. In Japan, sales increased due to a rise in shipments of main bodies of hydraulic crawler drills and an increase in orders for maintenance services. Overseas, we reported higher sales due to increased shipments of hydraulic breakers to North America and hydraulic crawler drills to Africa, as well as the positive effect of the yen's depreciation.

UNIC Machinery

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	14,067	14,286	219
Operating profit	811	717	(93)

Sales in the UNIC Machinery segment totaled ¥14,286 million, an increase of ¥219 million year on year, and operating profit was ¥717 million, a decrease of ¥93 million. In Japan, we reported an increase in sales due to various factors. These included a recovery from truck production delays due to difficulties in procuring electronic components and overseas parts, which had been occurring in recent years, resulting in higher shipments of UNIC cranes. Overseas, we reported a decrease in sales due to lower shipments of UNIC cranes to China, Southeast Asia, and Europe, although shipments to North America remained relatively strong.

Machinery Business Total

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	39,933	40,302	369
Operating profit	1,882	2,581	698

Total sales of the Machinery business—consisting of the Industrial Machinery, Rock Drill Machinery, and UNIC Machinery segments—amounted to ¥40,302 million, an increase of ¥369 million year on year, and operating profit was ¥2,581 million, an increase of ¥698 million.

Metals

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	53,903	43,359	(10,543)
Operating profit	492	1,254	761

Sales in the Metals segment amounted to ¥43,359 million, a decrease of ¥10,543 million year on year, and operating profit was ¥1,254 million, an increase of ¥761 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 declined to US\$8,210/ton on June 30 due to speculation about additional interest rate hikes in the United States and signs of weak Chinese demand. Subsequently, the price rose and fell repeatedly, mainly due to expectations for economic stimulus measures in China and uncertainties about demand, and ended the period at US\$8,230.50/ton. Due to the termination of our entrusted copper smelting agreement with Onahama Smelting and Refining Co., Ltd. on March 31, 2023, electrolytic copper production, sales volume and revenue declined, and income/expense balance in the entrusted copper smelting business improved. Thanks to this improvement as well as price differentials due to fluctuations in metal prices and the yen's depreciation, we reported an increase in segment operating profit.

Electronics

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	3,600	3,540	(59)
Operating profit	321	274	(46)

Sales in the Electronics segment amounted to ¥3,540 million, a decrease of ¥59 million year on year, and operating profit was ¥274 million, a decrease of ¥46 million. The market for high-purity metallic arsenic for compound semiconductors, a major application for this material, remained in an inventory adjustment phase both in Japan and overseas. The demand for aluminum nitride ceramics for use in substrates and filler materials was strong, while demand for their application in semiconductor manufacturing equipment components was weak. Thus, overall sales of both materials declined. Sales of coils increased due to the recovery in automobile production as the semiconductor shortage moved toward resolution.

Chemicals

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	4,461	4,603	142
Operating profit	361	383	22

Sales in the Chemicals segment amounted to ¥4,603 million, an increase of ¥142 million year-on-year, while operating profit was ¥383 million, an increase of ¥22 million. Sales of cupric oxide decreased due to a decline in demand related to cloud server substrates, PCs, and smartphones, despite higher unit selling prices stemming from rising copper prices and price revisions. 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 selling prices owing to rising copper prices and price revisions.

Materials Business Total

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	61,964	51,503	(10,461)
Operating profit	1,175	1,912	737

Total sales of the Materials business—consisting of the Metals, Electronics, and Chemicals segments—amounted to ¥51,503 million, a decrease of ¥10,461 million year on year, and operating profit was ¥1,912 million, an increase of ¥737 million.

Real Estate

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	1,067	903	(164)
Operating profit	424	226	(198)

Sales in the Real Estate business amounted to ¥903 million, a decrease of ¥164 million year on year, and operating profit was ¥226 million, a decrease of ¥198 million. As for the Muromachi Furukawa Mitsui Building (commercial name: COREDO Muromachi 2), our main facility, lease income, which varies according to sales of the commercial facility, recovered to the pre-COVID-19 level. However, overall lease revenues from offices, where market conditions are worsening, declined due to a reduction in floor space for office tenants and lower unit lease prices.

Others

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Sales	1,610	2,083	473
Operating profit	(59)	(86)	(26)

This segment covers metal powder, casting, transportation, and other businesses. In the period under review, the segment recorded sales of ¥2,083 million, an increase of ¥473 million year on year, and an operating loss of ¥86 million, an increase of ¥26 million from the previous corresponding period.

(2) Financial position

(i) Assets, liabilities, and net assets

(Millions of yen)

	End of previous fiscal year	End of the second quarter of the fiscal year ending March 31, 2024	Change from end of previous fiscal year
Total assets	232,745	249,979	17,233
Liabilities	126,695	128,782	2,087
(Interest-bearing debt)	62,848	62,397	(451)
Net assets	106,050	121,196	15,146
Equity-to-asset ratio (%)	44.2	47.2	3.0

At the end of the second-quarter period (September 30, 2023), total assets amounted to ¥249,979 million, an increase of ¥17,233 million from March 31, 2023. This was mainly due to a decrease in notes and accounts receivable–trade and contract assets and increases in cash and deposits, and merchandise and finished goods, as well as an increase in investment securities due to higher share prices of listed stocks. Interest-bearing debt (borrowings) totaled ¥62,397 million, a decrease of ¥451 million. Net assets amounted to ¥121,196 million, an increase of ¥15,146 million.

(ii) Cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Year-on-year change
Cash flows from operating activities	(7,191)	8,443	15,634
Cash flows from investing activities	(597)	1,946	2,544
Cash flows from financing activities	11,706	(4,312)	(16,018)
Cash and cash equivalents	19,181	20,364	1,182

Regarding the cash flow provided by operating activities in the first two quarters under review amounted a net inflow of ¥8,443 million. This was mainly due to ¥7,426 million adjusted revenue of non-cash expenses (calculated by adjusting profit before income taxes for non-cash expenses), ¥2,294 million in proceeds from changes in assets and liabilities related to operating activities, and ¥1,819 million in income taxes paid. Net cash provided by investing activities totaled ¥1,946 million, mainly reflecting proceeds from sale of property, plant and equipment. Net cash used in financing activities was ¥4,312 million, mainly reflecting purchase of treasury shares and dividends paid. As a result, cash and cash equivalents at the end of the period amounted to ¥20,364 million, an increase of ¥6,757 million from March 31, 2023.

(3) Outlook

Compared with our previous full-year forecast announced on May 29, 2023, we expect the Industrial Machinery segment to post lower sales and operating profit mainly in light of its performance in the period under review. We also expect the UNIC Machinery segment to report declines in sales and operating profit due to lower-than-anticipated shipments of UNIC cranes stemming from delayed truck deliveries and higher costs of parts, materials, and others. On the other hand, we look forward to increases in sales and operating profit (compared with the previous forecast) for both the Rock Drill Machinery segment, which has a large overseas sales ratio and benefits from the yen's depreciation, and the Metals segment, which benefits from metal price fluctuations and price gains due to the yen's depreciation. As a result, we have made upward revisions to consolidated net sales and operating profit for the fiscal year ending March 31, 2024. We have also revised upward our forecasts for ordinary profit and profit attributable to owners of parent, reflecting our expectation of gains among non-operating items, including foreign exchange.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	13,606	20,364
Notes and accounts receivable - trade, and contract assets	35,502	29,031
Merchandise and finished goods	18,705	21,877
Work in process	12,213	13,604
Raw materials and supplies	15,584	12,725
Other	4,318	3,439
Allowance for doubtful accounts	(47)	(46)
Total current assets	99,882	100,997
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,435	23,405
Land	53,910	51,710
Other, net	13,636	14,939
Total property, plant and equipment	90,981	90,054
Intangible assets	317	352
Investments and other assets		
Investment securities	34,711	40,964
Other	7,622	18,442
Allowance for doubtful accounts	(769)	(832)
Total investments and other assets	41,563	58,574
Total non-current assets	132,862	148,982
Total assets	232,745	249,979

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,397	13,625
Electronically recorded obligations - operating	9,244	11,977
Short-term borrowings	16,607	14,897
Income taxes payable	1,711	2,512
Provisions	202	292
Other	20,947	16,595
Total current liabilities	63,111	59,900
Non-current liabilities		
Long-term borrowings	46,240	47,499
Provisions	97	4
Retirement benefit liability	2,481	2,266
Asset retirement obligations	228	231
Other	14,534	18,879
Total non-current liabilities	63,583	68,881
Total liabilities	126,695	128,782
Net assets		
Shareholders' equity		
Share capital	28,208	28,208
Capital surplus	2	2
Retained earnings	58,847	69,860
Treasury shares	(3,086)	(4,707)
Total shareholders' equity	83,971	93,364
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,320	16,625
Deferred gains or losses on hedges	(77)	(63)
Revaluation reserve for land	2,582	2,575
Foreign currency translation adjustment	1,564	2,944
Remeasurements of defined benefit plans	2,584	2,483
Total accumulated other comprehensive income	18,974	24,565
Non-controlling interests	3,103	3,267
Total net assets	106,050	121,196
Total liabilities and net assets	232,745	249,979

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	104,576	94,793
Cost of sales	91,343	80,184
Gross profit	13,232	14,608
Selling, general and administrative expenses	9,860	10,008
Operating profit	3,372	4,599
Non-operating income		
Dividend income	501	580
Foreign exchange gains	2,142	1,080
Other	331	682
Total non-operating income	2,975	2,343
Non-operating expenses		
Interest expenses	248	245
Administrative expenses of inactive mountain	401	400
Other	479	223
Total non-operating expenses	1,128	869
Ordinary profit	5,219	6,074
Extraordinary income		
Gain on sale of non-current assets	5	13,423
Other	362	67
Total extraordinary income	368	13,490
Extraordinary losses		
Demolition expenses of a rental building	470	458
Loss on liquidation of subsidiaries	348	200
Other	368	42
Total extraordinary losses	1,187	701
Profit before income taxes	4,399	18,863
Income taxes - current	1,380	3,300
Income taxes - deferred	(565)	2,515
Total income taxes	814	5,816
Profit	3,584	13,046
Profit attributable to non-controlling interests	136	134
Profit attributable to owners of parent	3,448	12,911

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,584	13,046
Other comprehensive income		
Valuation difference on available-for-sale securities	(876)	4,309
Deferred gains or losses on hedges	5	(5)
Foreign currency translation adjustment	1,863	1,161
Remeasurements of defined benefit plans, net of tax	(89)	(100)
Share of other comprehensive income of entities accounted for using equity method	504	288
Total other comprehensive income	1,407	5,653
Comprehensive income	4,992	18,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,760	18,509
Comprehensive income attributable to non-controlling interests	231	190

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	4,399	18,863
Depreciation	2,047	2,161
Loss (gain) on sale and retirement of property, plant and equipment	206	(13,397)
Increase (decrease) in retirement benefit liability	(156)	(317)
Interest and dividend income	(605)	(778)
Interest expenses	248	245
Foreign exchange losses (gains)	(354)	(436)
Decrease (increase) in trade receivables	(985)	6,795
Decrease (increase) in inventories	(2,573)	(975)
Increase (decrease) in trade payables	(3,070)	1,372
Other, net	(4,651)	(3,812)
Subtotal	(5,493)	9,721
Interest and dividends received	589	784
Interest paid	(235)	(243)
Income taxes paid	(2,129)	(2,632)
Income taxes refund	78	813
Net cash provided by (used in) operating activities	(7,191)	8,443
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,289)	(3,695)
Proceeds from sale of property, plant and equipment	15	5,461
Proceeds from a partial refund of consideration for acquisition from the seller by adjusting the consideration of shares of subsidiaries	420	–
Other, net	256	180
Net cash provided by (used in) investing activities	(597)	1,946
Cash flows from financing activities		
Proceeds from short-term borrowings	26,341	7,748
Repayments of short-term borrowings	(10,331)	(8,247)
Proceeds from long-term borrowings	3,100	6,500
Repayments of long-term borrowings	(4,446)	(6,653)
Purchase of treasury shares	(888)	(1,621)
Dividends paid	(1,938)	(1,902)
Other, net	(130)	(136)
Net cash provided by (used in) financing activities	11,706	(4,312)
Effect of exchange rate change on cash and cash equivalents	794	680
Net increase (decrease) in cash and cash equivalents	4,712	6,757
Cash and cash equivalents at beginning of period	14,468	13,606
Cash and cash equivalents at end of period	19,181	20,364

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

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Segment information

[Segment information]

1. Six months ended September 30, 2022

(1) Information relating to the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	7,862	18,003	14,067	53,903	3,600	4,461
Intersegment net sales or transfers	1,396	2	83	126	–	27
Total	9,258	18,005	14,150	54,029	3,600	4,488
Segment profit (loss)	13	1,057	811	492	321	361

	Reportable segment		Others (Note 1)	Total	Eliminations/ corporate (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	1,067	102,965	1,610	104,576	–	104,576
Intersegment net sales or transfers	6	1,643	804	2,447	(2,447)	–
Total	1,074	104,608	2,414	107,023	(2,447)	104,576
Segment profit (loss)	424	3,482	(59)	3,422	(50)	3,372

- Notes: 1. The “Others” category refers to business segments not included in the reportable segments, and includes the metal powder business, transportation business, and other businesses.
2. Segment profit (loss) adjustment of ¥(50) million includes eliminations of intersegment transactions of ¥5 million and company-wide expenses not allocated to each reportable segment of ¥(56) 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.
3. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

2. Six months ended September 30, 2023

(1) Information relating to the amounts of net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment					
	Industrial Machinery	Rock Drill Machinery	UNIC Machinery	Metals	Electronics	Chemicals
Net sales						
Net sales to external customers	6,054	19,961	14,286	43,359	3,540	4,603
Intersegment net sales or transfers	1,478	2	184	113	–	28
Total	7,533	19,964	14,471	43,472	3,540	4,631
Segment profit (loss)	(283)	2,146	717	1,254	274	383

	Reportable segment		Others (Note 1)	Total	Eliminations/ corporate (Note 2)	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Real Estate	Total				
Net sales						
Net sales to external customers	903	92,709	2,083	94,793	–	94,793
Intersegment net sales or transfers	4	1,812	924	2,737	(2,737)	–
Total	908	94,522	3,008	97,530	(2,737)	94,793
Segment profit (loss)	226	4,720	(86)	4,634	(34)	4,599

- 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. Segment profit (loss) adjustment of ¥(34) million includes eliminations of intersegment transactions of ¥22 million and company-wide expenses not allocated to each reportable segment of ¥(56) 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.
3. Segment profit (loss) is adjusted to operating profit in the quarterly consolidated statement of income.

Supplementary Material on Financial Results for the Six Months Ended September 30, 2023

November 9, 2023

Furukawa Co., Ltd.

Net sales

(Yen amounts are rounded down to millions.)

	Six months ended September 30,2022	Six months ended September 30,2023	Year-on-year change	Fiscal year ending March 31, 2024		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	39,933	40,302	369	87,000	85,600	3,941
Industrial Machinery segment	7,862	6,054	(1,807)	18,500	17,900	(43)
Rock Drill Machinery segment	18,003	19,961	1,957	36,000	38,700	2,947
UNIC Machinery segment	14,067	14,286	219	32,500	29,000	1,038
Materials business	61,964	51,503	(10,461)	91,600	98,300	(28,504)
Metals segment	53,903	43,359	(10,543)	74,800	81,900	(29,524)
Electronics segment	3,600	3,540	(59)	7,700	7,300	373
Chemicals segment	4,461	4,603	142	9,100	9,100	645
Real Estate segment	1,067	903	(164)	1,700	1,900	(156)
Others segment	1,610	2,083	473	4,200	4,200	528
Total	104,576	94,793	(9,783)	184,500	190,000	(24,190)

Operating profit

	Six months ended September 30,2022	Six months ended September 30,2023	Year-on-year change	Fiscal year ending March 31, 2024		
				Previously announced forecast	Forecast	Year-on-year change
Machinery business	1,882	2,581	698	7,400	6,600	506
Industrial Machinery segment	13	(283)	(296)	1,500	1,000	(515)
Rock Drill Machinery segment	1,057	2,146	1,089	3,100	4,100	1,069
UNIC Machinery segment	811	717	(93)	2,800	1,500	(47)
Materials business	1,175	1,912	737	1,600	2,800	490
Metals segment	492	1,254	761	500	1,700	423
Electronics segment	321	274	(46)	400	400	(100)
Chemicals segment	361	383	22	700	700	167
Real Estate segment	424	226	(198)	400	500	(335)
Others segment	(59)	(86)	(26)	(150)	(100)	33
(Subtotal)	3,422	4,634	1,211	9,250	9,800	695
Eliminations/corporate	(50)	(34)	16	(50)	(100)	(26)
Total	3,372	4,599	1,227	9,200	9,700	668

Exchange rate/Copper price

		Six months ended September 30,2022	Six months ended September 30,2023	Year-on-year change	Fiscal year ending March 31, 2024		
					Previously announced forecast	Forecast	Year-on-year change
Exchange rate	Yen/\$	134.0	141.0	7.0	135.6	143.0	7.5
Copper price	\$/mt	8,634	8,417	(217)	8,120	8,209	(342)

* 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 second quarter is as follows.

	As of September 30,2022	As of September 30,2023	Year-on-year change
Order backlog	¥12.7 billion	¥16.0 billion	¥3.2 billion

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

	Six months ended September 30,2022	Six months ended September 30,2023	Year-on-year change
Operating profit	¥0.49 billion	¥1.25 billion	¥0.76 billion
Of which was due to price fluctuations	¥0.52 billion	¥0.87 billion	¥0.34 billion
Copper	[¥(0.12) billion]	[¥0.12 billion]	[¥0.24 billion]
Gold	[¥0.62 billion]	[¥0.68 billion]	[¥0.06 billion]