

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japan GAAP]

Name of Company:	The Furukawa Battery Co., Ltd.
Stock Code:	6937
Stock Exchange Listing:	Tokyo Stock Exchange
URL:	<a href="https://www.furukawadenchi.co.jp">https://www.furukawadenchi.co.jp</a>
Representative	
Title:	President & CEO
Name:	Osamu Kuroda
Contact Person	
Title:	General Manager of Finance & Accounting Department
Name:	Tsutomu Mikawa
Tel:	+81-45- 336-5034
Scheduled date of ordinary general meeting of shareholders:	June 26, 2024
Scheduled date for commencement of dividend payment:	June 27, 2024
Scheduled date for filing of securities report:	June 26, 2024
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (Financial results briefing via video streaming on the Company's website)

(Yen in millions, rounded down)

### 1. Consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

#### (1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	75,455	8.5	3,233	70.2	3,417	55.8	2,574	222.8
Fiscal year ended March 31, 2023	69,538	10.8	1,900	(40.9)	2,193	(35.4)	797	(79.2)

Note: Comprehensive income

Fiscal year ended March 31, 2024:	3,585 million yen [yoy 94.4 %]
Fiscal year ended March 31, 2023:	1,843 million yen [yoy (43.4) %]

	Earnings per share (basic)	Earnings per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	78.56	–	7.3	5.3	4.3
Fiscal year ended March 31, 2023	24.34	–	2.4	3.5	2.7

Reference: Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2024:	32 million yen
Fiscal year ended March 31, 2023:	34 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	65,461	37,906	56.0	1,118.64
As of March 31, 2023	63,278	34,947	53.3	1,028.38

Reference: Equity

As of March 31, 2024:	36,666 million yen
As of March 31, 2023:	33,708 million yen

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	3,612	(3,193)	(292)	8,809
Fiscal year ended March 31, 2023	375	(2,885)	(53)	8,226

**2. Dividends**

	Annual dividends per share					Total dividends (annual)	Payout ratio (Consolidated)	Dividends/to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	–	–	19.00	19.00	622	78.1	1.9
Fiscal year ended March 31, 2024	–	–	–	21.00	21.00	688	26.7	2.0
Fiscal year ending March 31, 2025 (forecast)	–	–	–	28.00	28.00		29.6	

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

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2025	80,000	6.0	4,000	23.7	4,100	20.0	3,100	20.4	94.58

**Notes:**

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Newly included: None Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements:
  - (a) Changes in accounting policies accompanying revisions in accounting standards: None
  - (b) Changes other than in (a): None
  - (c) Changes in accounting estimates: None
  - (d) Retrospective restatements: None
- (3) Number of shares outstanding (common stock)
  - (a) Shares outstanding (including treasury shares)

As of March 31, 2024: 32,800,000 shares As of March 31, 2023: 32,800,000 shares
  - (b) Treasury shares

As of March 31, 2024: 22,332 shares As of March 31, 2023: 22,208 shares
  - (c) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024: 32,777,773 shares Fiscal year ended March 31, 2023: 32,777,843 shares

**(For reference) Non-consolidated financial results****1. Financial results for the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)****(1) Non-consolidated operating results**

(Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	48,697	7.4	812	197.1	1,858	(52.1)	1,090	(68.7)
Fiscal year ended March 31, 2023	45,327	6.8	273	(82.3)	3,876	85.4	3,484	24.4

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 31, 2024	33.26	–
Fiscal year ended March 31, 2023	106.30	–

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	44,603	24,068	54.0	734.30
As of March 31, 2023	44,508	23,561	52.9	718.82

Reference: Equity

As of March 31, 2024:	24,068 million yen
As of March 31, 2023:	23,561 million yen

&lt;Reasons for differences between non-consolidated financial results and the actual values of the previous fiscal year&gt;

The differences between the actual values of the previous fiscal year and the actual values of the fiscal year under review are due mainly to a decrease in dividend income from consolidated subsidiaries and recording of loss on valuation of shares of subsidiaries and associates in the fiscal year under review compared to the previous fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Appropriate use of performance forecasts and other special items:

(Disclaimer on forward-looking statements, etc.)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared, and on assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. Please refer to “1. Overview of Operating Results and Others, (4) Future Outlook” on page 5 of the Attachment.

(Obtaining the supplementary documents for financial results and the financial results briefing)

The Company plans to stream the financial results briefing via video for institutional investors and analysts on Wednesday, May 29, 2024.

The video and the supplementary documents for financial results will be posted on the Company’s website.

## Index of the Attachment

1. Overview of Operating Results and Others .....	2
(1) Overview of Operating Results .....	2
(2) Overview of Financial Position .....	4
(3) Overview of Cash Flows .....	4
(4) Future Outlook.....	5
(5) Basic Policy for Profit Distributions and Dividends for Current and Next Fiscal Years .....	5
2. Corporate Group .....	6
3. Management Policy .....	7
(1) Basic Management Policy .....	7
(2) Targeted Performance Indicators .....	7
(3) Medium to Long-term Strategies and Pending Issues .....	7
4. Basic Views on the Selection of Accounting Standards.....	8
5. Consolidated Financial Statements and Related Notes .....	9
(1) Consolidated Balance Sheets .....	9
(2) Consolidated Statements of Income and Comprehensive Income .....	11
(Consolidated Statements of Income).....	11
(Consolidated Statements of Comprehensive Income).....	12
(3) Consolidated Statements of Changes in Equity .....	13
(4) Consolidated Statements of Cash Flows.....	15
(5) Notes on Consolidated Financial Statements.....	17
(Going Concern Assumptions).....	17
(Segment Information).....	17
(Per Share Information) .....	22
(Important Subsequent Events).....	22
6. Other .....	23
(Trend in Quarterly Consolidated Results).....	23

## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results

#### (Business Environment)

During the fiscal year ended March 31, 2024, the global economy experienced soaring energy costs due to the impact of the Russian-Ukrainian war, and instability in the global situation caused by the Israel-Hamas war. Additionally, there was a slowdown in the real estate market in China and monetary tightening in Europe and North America. Thus, the global economic outlook is uncertain mainly due to the downside risks on economic activities from those factors.

In the Japanese economy as well, the outlook continues to be uncertain due to the slowdown in the overseas economy becoming a downside risk for the domestic economy amid concerns for the future of the Chinese economy and continuing global monetary tightening in addition to rising raw material prices and energy costs.

For the storage battery industry, in the automotive field, structural changes are advancing in the industry, such as the expanding use of renewable energy for carbon neutrality and the global electrification, automation and servitization of automobiles. In the industrial field, demand is expanding for such markets as renewable energy, data centers and smart grids.

Looking ahead, challenging conditions are expected for the automotive and industrial segments due to the rise in raw material prices and energy costs.

Furukawa Battery Co., Ltd. (the “Company”) and its group companies (the “Group”) have been working on the promotion of “global strategies to help achieve the SDGs,” “increased profitability in the core business of lead-acid storage batteries,” “generation of new solution business through the development of new products, including next-generation batteries,” and “the accumulation of innovative capability through the development of human resources for sustainable management.”

#### (Operating Results)

The Group recorded net sales of 75,455 million yen for the fiscal year ended March 31, 2024, an increase of 5,917 million yen (8.5%) year on year. This was mainly due to strong sales for automotive applications. Overseas sales were 28,696 million yen and accounted for 38.0% of total sales.

Operating profit increased by 1,333 million yen year on year to 3,233 million yen (compared with operating profit of 1,900 million yen in the fiscal year ended March 31, 2023). This was mainly due to the steady sales in Japan and overseas even with the rising price of raw materials such as lead and rising energy costs. Ordinary profit increased by 1,223 million yen year on year to 3,417 million yen (compared with ordinary profit of 2,193 million yen in the fiscal year ended March 31, 2023).

Profit attributable to owners of parent came to 2,574 million yen, increasing 1,777 million yen year on year (compared with profit attributable to owners of parent of 797 million yen in the fiscal year ended March 31, 2023).

Business segment performance was as follows.

Segment sales include intersegment internal sales or transfers totaling 2,129 million yen and the figures for segment profit are given on an operating profit (pre-goodwill amortization) basis.

In the automotive segment, sales were 54,648 million yen, an increase of 4,004 million yen (7.9%) year on year and segment profit was 3,127 million yen, an increase of 1,205 million yen (62.7%). This was mainly due to strong sales performance in the Thai and Indonesian markets.

In the industrial segment, sales were 22,215 million yen, an increase of 1,825 million yen (9.0%) year on year. Segment profit was 328 million yen, an increase of 57 million yen (21.2%) year on year. This was mainly due to strong sales to data centers.

In the lithium segment, sales were 109 million yen, an increase of 39 million yen (55.7%) year on year, while segment losses were 269 million yen (segment loss for the previous fiscal year was 279 million yen). While sales increased, the loss occurred because the market is still in its infancy.

In the real estate segment, sales were 291 million yen, an increase of 47 million yen (19.3%) year on year and segment profit was 75 million yen, an increase of 40 million yen (116.4%). This was due to an increase in rent income as a result of an increase in the tenant occupancy rate.

In the others segment, sales were 321 million yen, a decrease of 240 million yen (42.8%) year on year, while segment losses were 28 million yen (segment loss for the previous fiscal year was 48 million yen).

## (2) Overview of Financial Position

Total assets were 65,461 million yen as of March 31, 2024, which is 2,182 million yen more than at the end of the previous fiscal year. Current assets increased by 2,118 million yen from the end of the previous fiscal year to 36,787 million yen, while non-current assets increased by 64 million yen from the end of the previous fiscal year to 28,674 million yen.

The main factors leading to the increase in current assets were increases in cash and deposits and finished goods.

There was a 794 million yen increase from the end of the previous fiscal year to 24,686 million yen in property, plant and equipment in non-current assets. The main factor leading to the increase was effect of foreign currency translation of overseas subsidiaries.

Investments and other assets decreased by 716 million yen from the end of the previous fiscal year to 2,993 million yen.

Total liabilities as of March 31, 2024 decreased by 776 million yen from the end of the previous fiscal year to 27,554 million yen.

Current liabilities increased by 1,531 million yen from the end of the previous fiscal year to 18,850 million yen, and non-current liabilities decreased by 2,308 million yen from the end of the previous fiscal year to 8,703 million yen.

Interest-bearing debt, which is the sum of short-term borrowings and long-term borrowings, increased by 667 million yen from the end of the previous fiscal year to 6,656 million yen.

Equity increased by 2,958 million yen from the end of the previous fiscal year to 36,666 million yen, resulting in an increase in the equity ratio from 53.3% at the end of the previous fiscal year to 56.0% at the end of the fiscal year under review.

## (3) Overview of Cash Flows

### a) Cash flows

Net cash provided by operating activities during the fiscal year under review was 3,612 million yen as a whole. Major sources of cash were profit before income taxes of 3,953 million yen, depreciation of 3,109 million yen, and there was a 1,078 million yen payment of interest and income taxes.

Net cash used in investing activities was 3,193 million yen due to purchase of property, plant and equipment amounting to 2,991 million yen.

Net cash used in financial activities was 292 million yen due to repayments of long-term borrowings of 1,134 million yen.

As a result, cash and cash equivalents at end of period increased 583 million yen from the previous fiscal year to 8,809 million yen.

### b) Trends of performance indicators associated with cash flows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	49.1	52.2	53.6	53.3	56.0
Market value basis equity ratio (%)	33.1	97.1	69.4	55.4	51.5
Cash flows/interest-bearing debt ratio (years)	2.0	0.8	1.2	15.9	1.8
Interest coverage ratio (x)	8.6	27.8	24.1	2.2	16.5

\* Equity ratio: equity/total assets

Market value basis equity ratio: market capitalization/total assets

Cash flows/interest-bearing debt ratio: interest-bearing debt/cash flows

Interest coverage ratio: cash flows/paid interest

Notes: 1. All figures are calculated based on consolidated financial data.

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares as of the end of the period.

3. Cash flows are cash flows from operating activities as shown in the consolidated statements of cash flows.

4. Interest-bearing debt are the sum of borrowings shown on the consolidated balance sheets. Interest expenses are interest paid as shown in the consolidated statements of cash flows.

#### (4) Future Outlook

The Group will continue to make collective efforts to expand its business and increase profits.

For the next consolidated fiscal year, we expect net sales of 80,000 million yen, operating profit of 4,000 million yen, ordinary profit of 4,100 million yen, and profit attributable to owners of parent of 3,100 million yen.

#### (5) Basic Policy for Profit Distributions and Dividends for Current and Next Fiscal Years

Our basic policies as to profit distributions are to pay stable and ongoing return to shareholders and to invest in enhancing our facilities in Japan and overseas and in strengthening research and development, etc. that lead to improved corporate value, and are designed to achieve sustainable growth and improved profitability in the future. For the dividend, the policy is to determine these payments based on the operating results and the strengthening of our financial soundness and we believe we must consider the per-share dividend and payout ratio in a balanced way to express our appreciation to shareholders for their support.

We plan to pay a year-end dividend of 21 yen per share for the fiscal year ended March 31, 2024. For the next fiscal year, we plan to pay a dividend of 28 yen per share.



## 2. Corporate Group

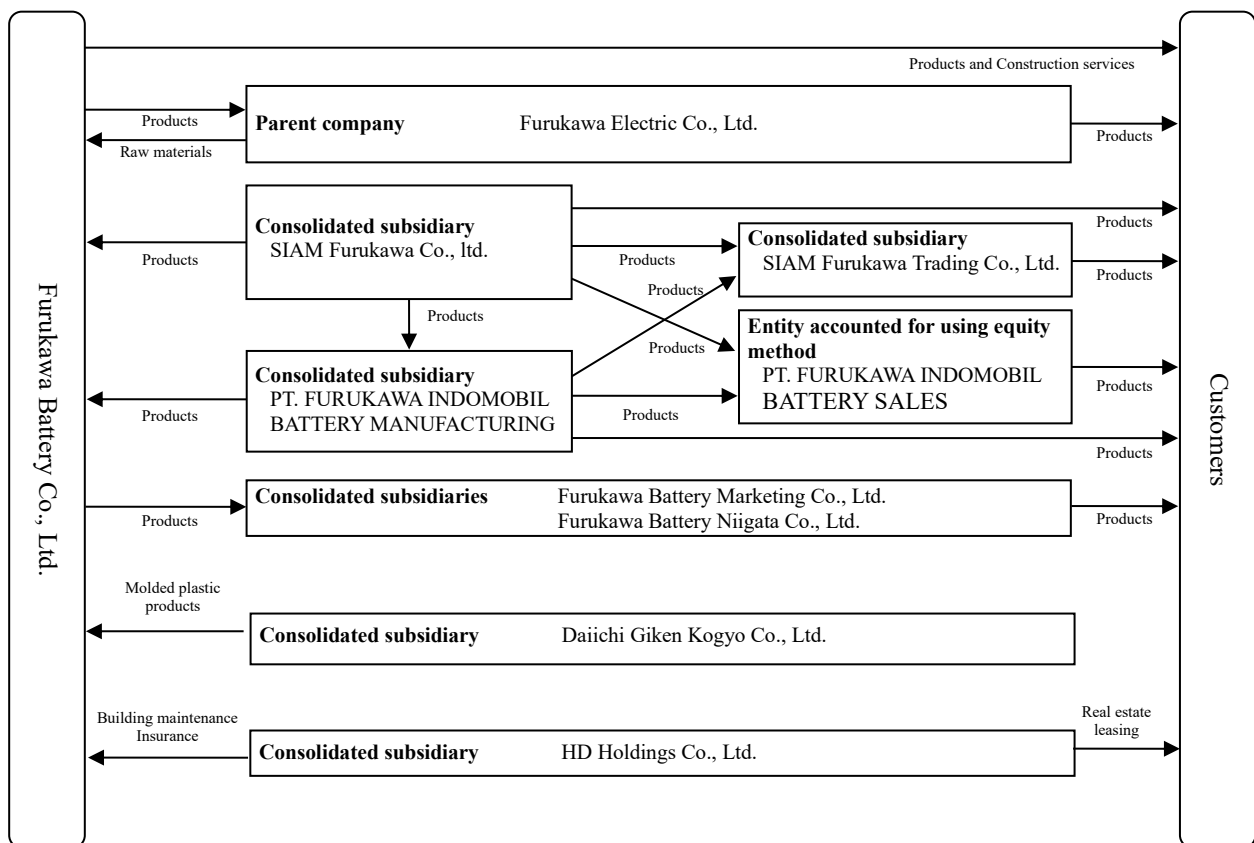
The corporate group consists of the Company, its parent company, seven consolidated subsidiaries, five non-consolidated subsidiaries and one affiliated company accounted for by the equity method, and two affiliated companies not accounted for by the equity method. The primary business activities are the manufacture and sale of storage batteries and associated activities. The roles of the group companies concerning these activities are as follows.

The Company manufactures and sells lead-acid storage batteries, alkaline storage batteries, and rectifiers and other power supply devices and performs installations and inspections for these batteries. Consolidated subsidiaries Siam Furukawa Co., Ltd., and PT. Furukawa Indomobil Battery Manufacturing, with the technical support of the Company, manufacture lead-acid storage batteries.

Consolidated subsidiary Furukawa Battery Marketing Co., Ltd. sells some of the lead-acid storage batteries and alkaline storage batteries manufactured by the Company.

Some products are sold to parent company Furukawa Electric Co., Ltd. In addition, the Company purchases some raw materials and other items from Furukawa Electric.

A flowchart of these business activities is shown below.



### 3. Management Policy

#### (1) Basic Management Policy

The Group conducts its management in accordance with the Corporate Philosophy formed from the following Guiding Principle and the Credo.

##### Guiding Principle

In order to meet the expectations of our diverse stakeholders, including our shareholders, employees, customers and local communities, Furukawa Battery will implement continuous innovation based on the technological capabilities we have fostered over many years, under a slogan of “always seeking to be challengers” and a corporate motto of “fairness and integrity.” We will contribute to the realization of a truly rich and sustainable society as we seek to achieve sustainable growth and improve our corporate value in the medium to long term.

##### Furukawa Battery Group Credo

We are challengers.

- Maintain high ethical standards, and value honesty and integrity above all.
- Continually improve, innovate, and lead, in every area of endeavor.
- Take a hands-on approach that addresses the reality of every situation - in the office, at the factory, and on site.
- Be proactive - take the initiative and work with others, persevering until a solution is found.
- Maintain open channels of communication between departments and divisions so that we can share ideas and help each other grow.

#### (2) Targeted Performance Indicators

The medium-term management plan for fiscal 2022 to fiscal 2025 lays out the performance indicators below as targets.

Indicator		Consolidated Results for the Fiscal Year Ended March 31, 2024	Forecast for the Fiscal Year Ending March 31, 2025	Target FY2025 consolidated results
Net sales	(Million yen)	75,455	80,000	83,000
Operating profit	(Million yen)	3,233	4,000	5,500
Operating profit ratio	(%)	4.3	5.0	6.6
ROIC	(%)	5.6	7.0	8.0

The above management indicators have been set based upon the preconditions below.

		Consolidated Results for the Fiscal Year Ended March 31, 2024	Forecast for the Fiscal Year Ending March 31, 2025	Target FY2025 consolidated results
LME lead price	(US\$/t)	2,137	2,170	2,100
Lead market price	(Thousand yen/t)	373	380	291
Exchange rate	(yen/US\$)	146	143	110

#### (3) Medium to Long-term Strategies and Pending Issues

##### 1. Medium to Long-term Strategies

The company is strengthening and expanding its business from the medium to long-term perspective of sustainability and has defined (1) the promotion of global strategies to help achieve the SDGs, (2) improvement of profitability in the core business of lead-acid storage batteries business, (3) generation of new solution business through the development of new products, including next-generation batteries, and (4) the accumulation of innovative capability through the development of human resources for sustainable management as its basic policy to become a

company living up to the expectations of its customers and society.

As specific measures, the Company will focus on developing new products and launching new businesses, such as bipolar lead storage batteries and the Energy Storage Systems (ESS) solution business, as well as expanding overseas partnerships.

For details, please refer to the “Notice Regarding the Formulation of the Medium-term Management Plan from FY2022 to FY2025” announced on May 12, 2022 (Japanese only).

## 2. Pending issues

With regard to the outlook going forward, we project that the environment in which the Group operates will remain difficult because of negative factors affecting the business, including the economic slowdown due to rising interest rates by central banks in each country against inflation, the continuing rise in prices for imported raw materials due to the weak yen, as well as the continuing rise in energy costs due to increasing geopolitical risks in Ukraine, Palestine, and the Red Sea region. In the longer term, although markets such as renewable energy are expected to expand, we anticipate that the rate of growth will slow for our core domestic lead-acid storage battery business and forecast even fiercer competition. In this kind of environment, in addition to the strengthening of the competitiveness of our existing businesses through improving manufacturing efficiency, we perceive the expansion of business overseas mainly in emerging markets, the launch of new products and businesses, and the development of human resources for the achievement of these goals to be important issues, and will implement measures accordingly.

The pending issues by business are shown below.

For the automotive business, although the supply shortage of new vehicles caused by semiconductor shortages is easing, demand for lead-acid storage batteries is not expected to grow significantly due to slowing demand caused by inflation, stricter automobile loan screening, mainly in Southeast Asian markets, and the growth of Chinese-made electric vehicles. On the other hand, we forecast that developed markets will see further restructuring in the industry along the themes of electrification, automation and servitization. In this kind of environment, in addition to the provision of competitive products, quality, and services in each market, we consider overseas market expansion and the improvement of the profitability of our business in Indonesia as important issues, and will implement measures accordingly.

In the industrial business, we forecast that while demand for such markets as renewable energy, data centers and smart grid will continue to expand, price competition will intensify further. In this kind of environment, we consider the development of competitive batteries, expansion into overseas markets, and the launch of the Energy Storage Systems (ESS) solution business, which leverages the characteristics of batteries to be important issues, and we are working to realize them.

Through these initiatives, the Furukawa Battery Group will maximize the capabilities it possesses, and by expanding its business domain through the dual axes of markets and products, seek to achieve sustainable growth and improve medium to long-term corporate value while contributing to the realization of a truly rich and sustainable society by promoting ESG management. In doing so, we aim to become a company whose presence is even more familiar, and deemed even more necessary to society.

## 4. Basic Views on the Selection of Accounting Standards

The policy of the Group for the time being is to prepare its consolidated financial statements using Japan GAAP, taking into consideration the fact that this allows the consolidated financial statements to be compared between periods and compared between companies.

Note that the Group will closely monitor the trend related to the introduction of the International Financial Reporting Standards (IFRS) going forward and endeavor to develop systems to appropriately respond.

5. Consolidated Financial Statements and Related Notes  
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,098	4,062
Securities	5,127	4,747
Notes and accounts receivable - trade	13,164	13,789
Electronically recorded monetary claims - operating	1,668	1,706
Merchandise and finished goods	3,059	3,802
Work in process	5,478	5,836
Raw materials and supplies	1,826	1,930
Other	1,253	926
Allowance for doubtful accounts	(8)	(15)
Total current assets	34,669	36,787
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,744	20,597
Accumulated depreciation	(12,499)	(13,347)
Buildings and structures, net	7,244	7,249
Machinery, equipment and vehicles	39,795	42,686
Accumulated depreciation	(32,829)	(35,060)
Machinery, equipment and vehicles, net	6,965	7,626
Tools, furniture and fixtures	8,028	8,359
Accumulated depreciation	(7,296)	(7,572)
Tools, furniture and fixtures, net	732	787
Land	7,690	7,827
Leased assets	872	925
Accumulated depreciation	(453)	(501)
Leased assets, net	418	424
Construction in progress	839	770
Total property, plant and equipment	23,891	24,686
Intangible assets		
Leased assets	3	2
Other	1,003	991
Total intangible assets	1,007	994
Investments and other assets		
Investment securities	1,354	1,467
Deferred tax assets	2,250	1,423
Other	127	124
Allowance for doubtful accounts	(22)	(21)
Total investments and other assets	3,710	2,993
Total non-current assets	28,609	28,674
Total assets	63,278	65,461

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,655	5,725
Electronically recorded obligations - operating	1,987	1,848
Short-term borrowings	4,189	4,356
Lease liabilities	98	109
Income taxes payable	280	310
Accrued consumption taxes	82	474
Contract liabilities	153	107
Provision for bonuses	920	968
Provision for product warranties	–	186
Notes payable - facilities	68	–
Electronically recorded obligations - facilities	352	391
Other	3,529	4,371
Total current liabilities	17,318	18,850
Non-current liabilities		
Long-term borrowings	1,800	2,300
Lease liabilities	373	366
Deferred tax liabilities	798	799
Retirement benefit liability	7,241	2,609
Asset retirement obligations	205	207
Other	592	2,421
Total non-current liabilities	11,012	8,703
Total liabilities	28,331	27,554
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	653	653
Retained earnings	29,133	31,085
Treasury shares	(11)	(12)
Total shareholders' equity	31,415	33,367
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	535	580
Deferred gains or losses on hedges	11	9
Foreign currency translation adjustment	1,707	2,697
Remeasurements of defined benefit plans	38	10
Total accumulated other comprehensive income	2,292	3,298
Non-controlling interests	1,239	1,240
Total net assets	34,947	37,906
Total liabilities and net assets	63,278	65,461

## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	69,538	75,455
Cost of sales	56,784	61,031
Gross profit	12,754	14,424
Selling, general and administrative expenses		
Selling expenses	2,952	3,030
General and administrative expenses	7,902	8,161
Total selling, general and administrative expenses	10,854	11,191
Operating profit	1,900	3,233
Non-operating income		
Interest income	21	65
Dividend income	78	66
Company house rent employee load money income	73	76
Share of profit of entities accounted for using equity method	34	32
Foreign exchange gains	84	92
Gain on sale of scraps	60	40
Subsidy income	73	–
Other	58	64
Total non-operating income	486	437
Non-operating expenses		
Interest expenses	170	220
Other	22	33
Total non-operating expenses	192	253
Ordinary profit	2,193	3,417
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	72	9
Gain on revision of retirement benefit plan	–	857
Total extraordinary income	73	867
Extraordinary losses		
Loss on disposal of non-current assets	16	66
Impairment losses	175	5
Loss on valuation of investment securities	225	–
Product warranty expenses	–	260
Total extraordinary losses	416	331
Profit before income taxes	1,850	3,953
Income taxes - current	937	599
Income taxes - deferred	215	787
Income taxes for prior periods	–	90
Total income taxes	1,153	1,476
Profit	696	2,476
Loss attributable to non-controlling interests	(100)	(98)
Profit attributable to owners of parent	797	2,574

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	696	2,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(138)	49
Deferred gains or losses on hedges	(76)	(1)
Foreign currency translation adjustment	1,269	1,072
Remeasurements of defined benefit plans, net of tax	76	(30)
Share of other comprehensive income of entities accounted for using equity method	15	18
Total other comprehensive income	1,146	1,108
Comprehensive income	1,843	3,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,882	3,581
Comprehensive income attributable to non-controlling interests	(38)	3

(3) Consolidated Statements of Changes in Equity  
 Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	653	29,057	(11)	31,339
Changes during period					
Dividends of surplus			(721)		(721)
Profit attributable to owners of parent			797		797
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	76	(0)	76
Balance at end of period	1,640	653	29,133	(11)	31,415

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	672	87	484	(37)	1,207	1,279	33,826
Changes during period							
Dividends of surplus							(721)
Profit attributable to owners of parent							797
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(137)	(76)	1,222	75	1,084	(39)	1,044
Total changes during period	(137)	(76)	1,222	75	1,084	(39)	1,121
Balance at end of period	535	11	1,707	38	2,292	1,239	34,947



Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,640	653	29,133	(11)	31,415
Changes during period					
Dividends of surplus			(622)		(622)
Profit attributable to owners of parent			2,574		2,574
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,952	(0)	1,952
Balance at end of period	1,640	653	31,085	(12)	33,367

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	535	11	1,707	38	2,292	1,239	34,947
Changes during period							
Dividends of surplus							(622)
Profit attributable to owners of parent							2,574
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	45	(1)	989	(27)	1,006	0	1,007
Total changes during period	45	(1)	989	(27)	1,006	0	2,959
Balance at end of period	580	9	2,697	10	3,298	1,240	37,906

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,850	3,953
Depreciation	2,884	3,109
Increase (decrease) in allowance for doubtful accounts	0	5
Interest and dividend income	(100)	(131)
Interest expenses	170	220
Share of loss (profit) of entities accounted for using equity method	(34)	(32)
Subsidy income	(73)	-
Loss (gain) on sale of investment securities	(72)	(9)
Loss (gain) on valuation of investment securities	225	-
Loss on retirement of property, plant and equipment	16	66
Loss (gain) on sale of property, plant and equipment	(0)	(1)
Loss on retirement of intangible assets	0	-
Impairment losses	175	5
Decrease (increase) in trade receivables	(1,016)	(498)
Decrease (increase) in inventories	(2,513)	(996)
Increase (decrease) in trade payables	39	(207)
Increase (decrease) in provision for bonuses	10	46
Increase (decrease) in provision for environmental measures	(1)	-
Increase (decrease) in provision for product warranties	-	186
Increase (decrease) in retirement benefit liability	57	(3,799)
Increase (decrease) in other current and long-term liabilities resulting from amendment of pension plan	-	2,793
Increase (decrease) in accrued consumption taxes	(200)	399
Gain on revision of retirement benefit plan	-	(857)
Other, net	592	306
Subtotal	2,008	4,560
Interest and dividends received	100	131
Interest paid	(170)	(218)
Income taxes paid	(1,562)	(769)
Income taxes for prior periods paid	-	(90)
Net cash provided by (used in) operating activities	375	3,612
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,102)	(2,991)
Purchase of intangible assets	(1,000)	(209)
Proceeds from sale of property, plant and equipment	0	1
Purchase of investment securities	(8)	(12)
Proceeds from sale of investment securities	131	16
Proceeds from distributions from investment partnerships	13	0
Subsidies received	73	-
Other, net	5	1
Net cash provided by (used in) investing activities	(2,885)	(3,193)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	352	91
Proceeds from long-term borrowings	1,500	1,500
Repayments of long-term borrowings	(1,066)	(1,134)
Repayments of lease liabilities	(117)	(123)
Dividends paid	(721)	(622)
Dividends paid to non-controlling interests	(1)	(3)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(53)	(292)
Effect of exchange rate change on cash and cash equivalents	620	455
Net increase (decrease) in cash and cash equivalents	(1,942)	583
Cash and cash equivalents at beginning of period	10,169	8,226
Cash and cash equivalents at end of period	8,226	8,809

(5) Notes on Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Segment Information)

[Segment information]

1. Description of reportable segments

Reporting segments of the Furukawa Battery Group are individual units for which separate financial information is available and that are subject to a periodic review by the Board of Directors for the purposes of evaluating performance and determining the allocation of resources.

The headquarters of business operations are at the Company's head office and there are separate organizational units to oversee operations for specific products and services. Each unit establishes comprehensive strategies for Japan and overseas countries for its products and services and performs operations based on these strategies.

Consequently, business segments of the Company are based on products and services in accordance with these administrative units. Operations are divided into four reportable segments: automobile, industrial, lithium, and real estate.

The automobile segment manufactures storage batteries for automobiles and motorcycles. The industrial segment manufactures storage batteries for the operation of equipment, uninterruptible power systems and other products. The lithium segment manufactures lithium-ion batteries, mainly for drones. The real estate segment leases space in buildings to tenants.

2. Method of calculating net sales, profit (loss), assets, liabilities and other items for each reportable segment

Accounting methods for reportable segments are in accordance with the accounting policies used to prepare the consolidated financial statements.

Reportable segment profit represents operating profit before adjustment for amortization of goodwill.

Intersegment internal sales and transfers are based upon actual market prices.

3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment and the information on disaggregation of revenue

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segments					Other (note)	Total
	Automobile	Industrial	Lithium	Real estate	Total		
Net sales							
Japan	24,894	19,606	70	–	44,571	19	44,591
Thailand	18,985	1	–	–	18,987	–	18,987
Other Asian regions	4,529	647	–	–	5,177	–	5,177
Other	545	13	–	–	559	–	559
Revenue from contracts with customers	48,955	20,269	70	–	69,295	19	69,314
Other revenue	–	–	–	223	223	–	223
Sales to external customers	48,955	20,269	70	223	69,518	19	69,538
Intersegment internal sales and transfers	1,687	120	–	20	1,829	542	2,371
Total	50,643	20,390	70	244	71,347	561	71,909
Segment income (loss)	1,921	271	(279)	34	1,948	(48)	1,900
Other items							
Depreciation and amortization	2,058	750	18	49	2,876	7	2,884

Notes: 1. The “Other” category is a business segment that is not included in the reportable segments and includes insurance and other activities.

2. Assets are not allocated to business segments.

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segments					Other (note)	Total
	Automobile	Industrial	Lithium	Real estate	Total		
Net sales							
Japan	26,161	20,206	109	–	46,477	11	46,488
Thailand	21,191	2	–	–	21,194	–	21,194
Other Asian regions	5,358	1,313	–	–	6,671	–	6,671
Other	246	584	–	–	831	–	831
Revenue from contracts with customers	52,957	22,107	109	–	75,173	11	75,185
Other revenue	–	–	–	270	270	–	270
Sales to external customers	52,957	22,107	109	270	75,444	11	75,455
Intersegment internal sales and transfers	1,690	108	–	20	1,819	310	2,129
Total	54,648	22,215	109	291	77,263	321	77,585
Segment income (loss)	3,127	328	(269)	75	3,262	(28)	3,233
Other items							
Depreciation and amortization	2,166	877	8	51	3,104	5	3,109

Notes: 1. The “Other” category is a business segment that is not included in the reportable segments and includes insurance and other activities.

2. Assets are not allocated to business segments.

4. Differences between reportable segment totals and amounts in consolidated financial statements and major components of these differences (adjustments for differences)

(Million yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	71,347	77,263
Sales of “Others” category	561	321
Elimination of intersegment transactions	(2,371)	(2,129)
Net sales in consolidated financial statements	69,538	75,455

(Million yen)

Income	Previous fiscal year	Current fiscal year
Reportable segment total	1,948	3,262
Income (loss) of “Others” category	(48)	(28)
Operating profit in consolidated financial statements	1,900	3,233

Note: Operating expenses are all allocated to each segment.

[Associated information]

Previous fiscal year (From April 1, 2022 to March 31, 2023)

1. Information for individual products and services

Since the information relating to specific products and services is presented in the same way in [3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment and the information on disaggregation of revenue] in [Segment information], it is omitted here.

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia		Other	Total
	Thailand	Other Asian regions		
44,814	18,987	5,177	559	69,538

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia		Total
	Thailand	Indonesia	
15,197	4,923	3,770	23,891

3. Information on major customers

Information on major customers has been omitted because no specific external customers accounted for 10% or more of the sales in the consolidated statements of income.

Current fiscal year (From April 1, 2023 to March 31, 2024)

1. Information for individual products and services

Since the information relating to specific products and services is presented in the same way in [3. Net sales, profit (loss), assets, liabilities and other items for each reportable segment and the information on disaggregation of revenue] in [Segment information], it is omitted here.

2. Information for individual regions

(a) Net sales

(Million yen)

Japan	Asia		Other	Total
	Thailand	Other Asian regions		
46,759	21,194	6,671	831	75,455

Note: Net sales are based on the locations of customers and categorized in accordance with countries or regions.

(b) Property, plant and equipment

(Million yen)

Japan	Asia		Total
	Thailand	Indonesia	
15,472	5,401	3,812	24,686

3. Information on major customers

Information on major customers has been omitted because no specific external customers accounted for 10% or more of the sales in the consolidated statements of income.

[Segment information for impairment losses of non-current assets]

Previous fiscal year (From April 1, 2022 to March 31, 2023)

Impairment losses of 175 million yen has been recorded although it is not allocated to reportable segments.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Impairment losses of 5 million yen has been recorded although it is not allocated to reportable segments.

[Segment information for goodwill amortization and remaining goodwill]

Previous fiscal year (From April 1, 2022 to March 31, 2023)

Not applicable.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Not applicable.

[Segment information for gain on bargain purchase]

Previous fiscal year (From April 1, 2022 to March 31, 2023)

Not applicable.

Current fiscal year (From April 1, 2023 to March 31, 2024)

Not applicable.



(Per Share Information)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net assets per share	1,028.38 yen	1,118.64 yen
Earnings per share	24.34 yen	78.56 yen

Notes: 1. Diluted earnings per share are not shown because there were no common stock equivalents.

2. The basis for calculating earnings per share is as follows.

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Amount of profit attributable to owners of parent (million yen)	797	2,574
Amount not attributed to common stockholders (million yen)	–	–
Amount of profit attributable to owners of parent attributable to common stock (million yen)	797	2,574
Average number of outstanding shares of common stock during the fiscal year (hundred shares)	327,778	327,777

(Important Subsequent Events)

Not applicable.

## 6. Other

(Trend in Quarterly Consolidated Results)

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	14,736	17,694	20,889	22,135	32,430	53,319	75,455
Operating profit (loss)	(309)	352	1,015	2,175	42	1,058	3,233
Ordinary profit (loss)	(211)	375	1,013	2,239	164	1,177	3,417
Profit attributable to owners of parent	429	165	666	1,313	594	1,261	2,574

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	14,027	15,802	18,394	21,313	29,830	48,224	69,538
Operating profit (loss)	(174)	(206)	513	1,767	(381)	132	1,900
Ordinary profit (loss)	(89)	(141)	550	1,875	(231)	318	2,193
Profit (loss) attributable to owners of parent	(127)	(101)	(338)	1,365	(228)	(567)	797

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	13,035	13,764	16,355	19,629	26,799	43,155	62,785
Operating profit	259	302	893	1,757	562	1,455	3,212
Ordinary profit	329	316	934	1,814	645	1,580	3,394
Profit attributable to owners of parent	355	207	736	2,537	563	1,299	3,837

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	12,314	13,143	16,354	18,146	25,457	41,812	59,958
Operating profit	282	566	1,824	1,723	849	2,674	4,397
Ordinary profit	353	513	1,834	1,778	866	2,701	4,480
Profit attributable to owners of parent	281	393	1,430	1,509	674	2,105	3,614