

Consolidated Financial Results for the Three-month Period Ended June 30, 2025 [Japan GAAP]

Name of Company:	The Furukawa Battery Co., Ltd.
Stock Code:	6937
Stock Exchange Listing:	Tokyo Stock Exchange
URL:	https://www.furukawadenchi.co.jp
Representative	
Title:	President & CEO
Name:	Osamu Kuroda
Contact Person	
Title:	General Manager of Finance & Accounting Department
Name:	Kazuhisa Omura
Tel:	+81-45-336-5034
Scheduled date for commencement of dividend payment:	—
Supplementary documents for financial results:	None
Financial results briefing:	None

(Yen in millions, rounded down)

1. Consolidated financial results for the three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)**(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	%
Three months ended June 30, 2025	17,125	(0.3)	364	—	425	—	343	—
Three months ended June 30, 2024	17,169	16.5	(246)	—	(129)	—	(270)	—

Note: Comprehensive income

Three months ended June 30, 2025: (1,020) million yen [yoy -%]

Three months ended June 30, 2024: 472 million yen [yoy (48.1)%]

	Earnings per share (basic)	Earnings per share (diluted)
	Yen	Yen
Three months ended June 30, 2025	10.49	—
Three months ended June 30, 2024	(8.26)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	66,108	40,605	59.6
As of March 31, 2025	68,679	41,171	58.0

Reference: Equity

As of June 30, 2025: 39,374 million yen

As of March 31, 2025: 39,829 million yen

2. Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	—	—
Fiscal year ending March 31, 2026	—	—	—	—	—
Fiscal year ending March 31, 2026 (forecast)	—	—	—	—	—

Notes: 1. Revisions to the dividends forecasts most recently announced: None

2. As stated in the “Notice Regarding Revisions to Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend)” released on July 23, 2024, the Company did not pay a year-end dividend for the fiscal year ended March 31, 2025, given that a tender offer for the Company’s common shares by AP78 Co., Ltd. is scheduled to take place. The Company plans to pay no dividend for the fiscal year ending March 31, 2026 as well.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(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, 2026	84,000	(1.0)	4,600	(16.4)	4,700	(17.9)	4,060	80.9	123.87

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

Notes:

- (1) Significant changes in the scope of consolidation during the three-month period ended June 30, 2025:
Newly included: None Excluded: None
- (2) Use of accounting methods that are specific to the preparation of the quarterly consolidated financial statements: Yes
Note: For details, please refer to “2. Consolidated Financial Statements and Related Notes, (3) Notes on Consolidated Financial Statements (Special Accounting for Preparing Quarterly Consolidated Financial Statements)” on page 7 of the Attachment.
- (3) 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
- (4) Number of shares outstanding (common stock)
 - (a) Shares outstanding (including treasury shares)
As of June 30, 2025: 32,800,000 shares As of March 31, 2025: 32,800,000 shares
 - (b) Treasury shares
As of June 30, 2025: 22,436 shares As of March 31, 2025: 22,436 shares
 - (c) Average number of shares outstanding during the period (cumulative)
Three months ended June 30, 2025: 32,777,564 shares Three months ended June 30, 2024: 32,777,668 shares

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

* 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, (3) Explanation of Forecast for the Fiscal Year Ending March 31, 2026” on page 2 of the Attachment for details on the assumptions used and other related matters concerning the forecast of consolidated financial results.

Index of the Attachment

1. Overview of Operating Results and Others	2
(1) Overview of Operating Results for the Period under Review	2
(2) Overview of Financial Position for the Period under Review	2
(3) Explanation of Forecast for the Fiscal Year Ending March 31, 2026.....	2
2. Consolidated Financial Statements and Related Notes	3
(1) Consolidated Balance Sheets	3
(2) Consolidated Statements of Income and Comprehensive Income	5
(Consolidated Statements of Income)	5
(Consolidated Statements of Comprehensive Income).....	6
(3) Notes on Consolidated Financial Statements	7
(Special Accounting for Preparing Quarterly Consolidated Financial Statements).....	7
(Segment Information)	7
(Material Changes in the Amount of Shareholders' Equity).....	9
(Going Concern Assumptions)	9
(Quarterly Consolidated Statements of Cash Flows).....	9
(Important Subsequent Events)	9
3. Other	10
(Trend in Quarterly Consolidated Results).....	10

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Period under Review

(Business Environment)

During the three-month period ended June 30, 2025, the outlook for the global economy is uncertain mainly due to downside risks in the economy caused by the impact of the U.S. trade policies, the situation in the Middle East, and the stagnation of the real estate market in China.

The Japanese economy is also facing downside risks in the economy due to the impact of U.S. trade policies and rising prices, while showing a gradual recovery trend due to improvements in the employment and income environment and the effects of various policies.

(Operating Results)

The Group recorded net sales of 17,125 million yen for the three-month period ended June 30, 2025, a decrease of 44 million yen year on year. Overseas sales were 7,220 million yen and accounted for 42.2% of total sales.

In terms of profit and loss, operating profit came to 364 million yen (operating loss of 246 million yen in the same period of the previous fiscal year) due to a significant decrease in expenses for product warranties from the previous period. Ordinary profit came to 425 million yen (ordinary loss of 129 million yen in the same period of the previous year).

Profit attributable to owners of parent came to 343 million yen (compared with loss attributable to owners of parent of 270 million yen in the same period of the previous fiscal year).

(2) Overview of Financial Position for the Period under Review

Total assets were 66,108 million yen as of June 30, 2025, which is 2,571 million yen less than at the end of the previous fiscal year. Current assets decreased by 1,485 million yen from the end of the previous fiscal year to 37,683 million yen, while non-current assets decreased by 1,086 million yen from the end of the previous fiscal year to 28,424 million yen.

The main factor leading to the decrease in current assets was a decrease in notes and accounts receivable - trade.

There was an 858 million yen decrease from the end of the previous fiscal year to 24,342 million yen in property, plant and equipment in non-current assets. Investments and other assets decreased by 317 million yen from the end of the previous fiscal year to 2,649 million yen.

Total liabilities as of June 30, 2025, decreased by 2,005 million yen from the end of the previous fiscal year to 25,502 million yen. Current liabilities decreased by 1,864 million yen from the end of the previous fiscal year to 18,853 million yen, and non-current liabilities decreased by 141 million yen from the end of the previous fiscal year to 6,649 million yen. The main factors leading to the decrease were decreases in borrowings and accounts payable - other.

Interest-bearing debt, which is the sum of short-term borrowings and long-term borrowings, decreased by 1,188 million yen from the end of the previous fiscal year to 7,212 million yen.

Equity as of June 30, 2025, decreased by 454 million yen from the end of the previous fiscal year to 39,374 million yen, resulting in an increase in the equity ratio from 58.0% at the end of the previous fiscal year to 59.6%.

(3) Explanation of Forecast for the Fiscal Year Ending March 31, 2026

There is no change to the consolidated earnings forecast that was announced on May 13, 2025.

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

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	4,649	4,396
Securities	6,813	7,122
Notes and accounts receivable - trade	13,518	10,002
Electronically recorded monetary claims - operating	1,826	1,765
Merchandise and finished goods	3,141	4,524
Work in process	6,003	6,503
Raw materials and supplies	2,257	2,332
Other	967	1,048
Allowance for doubtful accounts	(10)	(12)
Total current assets	39,168	37,683
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,283	7,170
Machinery, equipment and vehicles, net	7,296	7,285
Tools, furniture and fixtures, net	734	672
Land	7,891	7,766
Leased assets, net	408	387
Construction in progress	1,586	1,060
Total property, plant and equipment	25,200	24,342
Intangible assets		
Leased assets	37	36
Other	1,306	1,396
Total intangible assets	1,344	1,433
Investments and other assets		
Investment securities	1,655	1,125
Deferred tax assets	1,209	1,409
Other	117	129
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	2,966	2,649
Total non-current assets	29,511	28,424
Total assets	68,679	66,108

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,077	5,298
Electronically recorded obligations - operating	1,326	1,412
Short-term borrowings	6,901	5,847
Lease liabilities	132	129
Income taxes payable	373	507
Accrued consumption taxes	531	83
Contract liabilities	161	0
Provision for bonuses	1,036	671
Provision for product warranties	49	32
Notes payable - facilities	5	—
Electronically recorded obligations - facilities	455	471
Asset retirement obligations	27	—
Other	4,638	4,397
Total current liabilities	20,717	18,853
Non-current liabilities		
Long-term borrowings	1,500	1,365
Lease liabilities	358	338
Deferred tax liabilities	798	812
Retirement benefit liability	2,557	2,551
Asset retirement obligations	144	144
Other	1,431	1,438
Total non-current liabilities	6,790	6,649
Total liabilities	27,508	25,502
Net assets		
Shareholders' equity		
Share capital	1,640	1,640
Capital surplus	653	653
Retained earnings	32,642	33,446
Treasury shares	(12)	(12)
Total shareholders' equity	34,924	35,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	691	333
Deferred gains or losses on hedges	(15)	2
Foreign currency translation adjustment	4,223	3,305
Remeasurements of defined benefit plans	6	4
Total accumulated other comprehensive income	4,904	3,646
Non-controlling interests	1,342	1,230
Total net assets	41,171	40,605
Total liabilities and net assets	68,679	66,108

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	17,169	17,125
Cost of sales	14,206	13,873
Gross profit	2,963	3,252
Selling, general and administrative expenses	3,210	2,887
Operating profit (loss)	(246)	364
Non-operating income		
Interest income	25	34
Dividend income	31	27
Share of profit of entities accounted for using equity method	9	5
Foreign exchange gains	57	—
Other	48	49
Total non-operating income	171	117
Non-operating expenses		
Interest expenses	53	46
Foreign exchange losses	—	5
Other	1	4
Total non-operating expenses	54	56
Ordinary profit (loss)	(129)	425
Extraordinary income		
Insurance claim income	—	3
Total extraordinary income	—	3
Extraordinary losses		
Loss on disposal of non-current assets	2	16
Compensation for damage	210	—
Total extraordinary losses	213	16
Profit (loss) before income taxes	(343)	412
Income taxes	(40)	82
Profit (loss)	(303)	329
Loss attributable to non-controlling interests	(32)	(13)
Profit (loss) attributable to owners of parent	(270)	343

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	(303)	329
Other comprehensive income		
Valuation difference on available-for-sale securities	480	(356)
Deferred gains or losses on hedges	101	18
Foreign currency translation adjustment	185	(993)
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Share of other comprehensive income of entities accounted for using equity method	9	(16)
Total other comprehensive income	775	(1,350)
Comprehensive income	472	(1,020)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	450	(914)
Comprehensive income attributable to non-controlling interests	22	(105)

(3) Notes on Consolidated Financial Statements

(Special Accounting for Preparing Quarterly Consolidated Financial Statements)

Income taxes for the three-month period are calculated by multiplying profit (loss) before income taxes for the three-month period by a reasonable estimate of the effective tax rate, after application of tax effect accounting, for estimated profit before income taxes in the current fiscal year including the three-month period. Deferred taxes are included in income taxes.

(Segment Information)

[Segment information]

I. Three-month period ended June 30, 2024

1. Net sales and profit (loss) for each reportable segment and the information on disaggregation of revenue

(Million yen)

	Reportable segments					Other (note)	Total
	Automobile	Industrial	Lithium	Real estate	Total		
Net sales							
Japan	5,402	4,353	2	—	9,758	3	9,762
Thailand	5,251	—	—	—	5,251	—	5,251
Other Asian regions	1,451	445	—	—	1,897	—	1,897
Other	35	158	—	—	193	—	193
Revenue from contracts with customers	12,141	4,956	2	—	17,100	3	17,104
Other revenue	—	—	—	65	65	—	65
Sales to external customers	12,141	4,956	2	65	17,166	3	17,169
Intersegment internal sales and transfers	442	36	—	5	484	90	574
Total	12,584	4,993	2	70	17,650	93	17,744
Segment profit (loss)	284	(463)	(87)	15	(250)	4	(246)

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

2. Differences between total amount of profit or loss of the reportable segments and amounts in quarterly consolidated financial statements, and major components of these differences (adjustments for differences)

(Million yen)

Profit	Amount
Total of reportable segments	(250)
Profit of “Other” category	4
Operating loss in quarterly consolidated statements of income	(246)

II. Three-month period ended June 30, 2025

1. Net sales and profit (loss) for each reportable segment and the information on disaggregation of revenue

(Million yen)

	Reportable segments					Other (note)	Total
	Automobile	Industrial	Lithium	Real estate	Total		
Net sales							
Japan	5,384	4,455	5	—	9,844	2	9,847
Thailand	5,546	1	—	—	5,547	—	5,547
Other Asian regions	1,257	206	—	—	1,464	—	1,464
Other	82	125	—	—	208	—	208
Revenue from contracts with customers	12,271	4,789	5	—	17,065	2	17,068
Other revenue	—	—	—	57	57	—	57
Sales to external customers	12,271	4,789	5	57	17,122	2	17,125
Intersegment internal sales and transfers	454	131	—	8	594	89	683
Total	12,725	4,920	5	66	17,717	91	17,809
Segment profit (loss)	713	(195)	(85)	11	444	(80)	364

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

2. Differences between total amount of profit or loss of the reportable segments and amounts in quarterly consolidated financial statements, and major components of these differences (adjustments for differences)

(Million yen)

Profit	Amount
Total of reportable segments	444
Profit of “Other” category	(80)
Operating profit in quarterly consolidated statements of income	364

(Material Changes in the Amount of Shareholders' Equity)

Not applicable.

(Going Concern Assumptions)

Not applicable.

(Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the three-month period ended June 30, 2025. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) for the three-month period ended June 30, 2024 and 2025 are as follows.

(Million yen)		
	Three-month period ended June 30, 2024	Three-month period ended June 30, 2025
Depreciation and amortization	801	798

(Important Subsequent Events)

(Regarding the tender offer for the Company's shares by AP78 Co., Ltd.)

At a meeting of the Board of Directors held on July 23, 2024, the Company resolved to provide an opinion regarding a tender offer (the "Tender Offer") for the Company's common shares (the "Company's Shares") by AP78 Co., Ltd. (the "Tender Offeror") to the effect that expressed its opinion in support of the Tender Offer and recommended that the shareholders of the Company tender their shares in the Tender Offer, if the Tender Offer is commenced.

Subsequently, on July 4, 2025, the Company was informed by the Tender Offeror that because the procedures and responses required under Thai competition law were completed in January 2025, and, as of July 2, 2025, the necessary procedures and responses under Japanese competition law required to implement the acquisition for initiating the Tender Offer were also completed, the Tender Offeror is planning to commence the Tender Offer on August 8, 2025, assuming that certain other conditions shall be met. And as a result of once again examining the Tender Offer, the Company's Board of Directors, at its meeting held on August 7, 2025, expressed an opinion in favor of the Tender Offer, without changing the Company's opinion previously made on July 23, 2024, and resolved to recommend that the Company's shareholders tender their shares in the Tender Offer.

Furthermore, the aforementioned resolutions of the Board of Directors at its meetings held on July 23, 2024 and August 7, 2025, were made on the assumptions that the Tender Offeror intends to make the Company a wholly owned subsidiary through the Tender Offer and a series of subsequent procedures; and that the Company's Shares are scheduled to be delisted.

For details, please refer to the "Notice Regarding Expression of Opinion in Support of Tender Offer for the Company's Shares by AP78 Co., Ltd. and Recommendation to Tender" announced on August 7, 2025.

3. Other

(Trend in Quarterly Consolidated Results)

Fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	17,125	—	—	—	—	—	—
Operating profit	364	—	—	—	—	—	—
Ordinary profit	425	—	—	—	—	—	—
Profit attributable to owners of parent	343	—	—	—	—	—	—

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Accounting period				Cumulative period		
	Q1	Q2	Q3	Q4	6 months (Apr-Sep)	9 months (Apr-Dec)	Full year
Net sales	17,169	20,212	22,409	25,028	37,381	59,790	84,818
Operating profit (loss)	(246)	1,515	2,073	2,158	1,269	3,342	5,500
Ordinary profit (loss)	(129)	1,503	2,220	2,132	1,374	3,594	5,726
Profit (loss) attributable to owners of parent	(270)	(461)	1,571	1,404	(731)	840	2,244

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