

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 15, 2020

Company name: FUJIKURA KASEI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4620 URL <http://www.fkkasei.co.jp>  
 Representative: President Daisuke Kato  
 Senior Vice President and Division Director of Administrative Headquarters Yoshizo Shimoda  
 Inquiries: TEL 03-3436-1101  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2020  
 Scheduled date to file Securities Report: June 26, 2020  
 Scheduled date to commence dividend payments: June 29, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts are rounded off to the nearest million yen)

### 1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2020	53,107	(3.8)	1,750	(39.7)	1,990	(37.2)	1,235	(39.3)
Year ended March 31, 2019	55,207	(3.9)	2,901	12.1	3,169	12.8	2,033	1.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	38.79	—	3.7	3.9	3.3
Year ended March 31, 2019	63.86	—	6.2	6.1	5.3

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	50,814	36,386	66.3	1,059.14
As of March 31, 2019	51,940	36,158	64.2	1,048.39

#### (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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	1,605	(1,722)	(829)	11,801
Year ended March 31, 2019	3,953	(1,955)	(938)	12,769

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	8.00	—	8.00	16.00	509	25.1	1.5
Year ended March 31, 2020	—	8.00	—	8.00	16.00	509	41.2	1.5
Year ending March 31, 2021 (Forecast)	—	8.00	—	8.00	16.00		—	

### 3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

#### (3) Number of issued shares (common shares)

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

As of March 31, 2020	32,716,878 shares	As of March 31, 2019	32,716,878 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	887,714 shares	As of March 31, 2019	887,714 shares
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Average number of shares during the period

Year ended March 31, 2020	31,829,164 shares	Year ended March 31, 2019	31,829,165 shares
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## Consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	14,098,715	13,323,573
Notes and accounts receivable - trade	11,047,343	10,561,996
Merchandise and finished goods	3,560,597	3,744,144
Work in process	81,990	55,568
Raw materials and supplies	2,042,549	2,057,400
Other	709,035	692,287
Allowance for doubtful accounts	(123,097)	(134,118)
Total current assets	31,417,132	30,300,850
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,650,978	11,827,657
Accumulated depreciation	(6,345,144)	(6,697,609)
Buildings and structures, net	5,305,834	5,130,048
Machinery, equipment and vehicles	13,627,760	14,088,065
Accumulated depreciation	(11,274,224)	(11,726,640)
Machinery, equipment and vehicles, net	2,353,536	2,361,425
Tools, furniture and fixtures	4,795,511	5,038,124
Accumulated depreciation	(3,815,260)	(4,115,364)
Tools, furniture and fixtures, net	980,251	922,760
Land	4,532,259	4,546,650
Leased assets	289,700	659,242
Accumulated depreciation	(191,154)	(266,020)
Leased assets, net	98,546	393,222
Construction in progress	191,162	452,327
Total property, plant and equipment	13,461,588	13,806,432
Intangible assets		
Software	273,752	237,816
Other	1,031,561	957,761
Total intangible assets	1,305,313	1,195,577
Investments and other assets		
Investment securities	2,418,283	2,196,572
Long-term loans receivable	24,554	73,343
Deferred tax assets	627,923	741,990
Other	3,123,643	2,938,188
Allowance for doubtful accounts	(438,421)	(438,771)
Total investments and other assets	5,755,982	5,511,322
Total non-current assets	20,522,883	20,513,331
Total assets	51,940,015	50,814,181

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,022,381	5,708,733
Short-term borrowings	2,623,230	2,580,808
Income taxes payable	402,400	274,296
Accrued expenses	1,084,538	892,541
Provision for bonuses	576,871	593,386
Lease obligations	45,246	84,972
Other	1,083,179	1,045,565
Total current liabilities	12,837,845	11,180,301
Non-current liabilities		
Deferred tax liabilities	105,643	111,788
Retirement benefit liability	2,383,537	2,561,236
Long-term accounts payable - other	125,998	116,133
Lease obligations	54,499	191,872
Other	274,017	266,404
Total non-current liabilities	2,943,694	3,247,433
Total liabilities	15,781,539	14,427,734
Net assets		
Shareholders' equity		
Share capital	5,352,121	5,352,121
Capital surplus	5,040,199	5,040,199
Retained earnings	22,590,889	23,316,273
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	32,458,233	33,183,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	372,825	153,425
Foreign currency translation adjustment	843,794	812,968
Remeasurements of defined benefit plans	(305,370)	(438,512)
Total accumulated other comprehensive income	911,249	527,881
Non-controlling interests	2,788,994	2,674,949
Total net assets	36,158,476	36,386,447
Total liabilities and net assets	51,940,015	50,814,181

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	55,207,031	53,107,417
Cost of sales	38,707,678	37,910,512
Gross profit	16,499,353	15,196,905
Selling, general and administrative expenses	13,598,327	13,446,880
Operating profit	2,901,026	1,750,025
Non-operating income		
Interest income	62,164	80,455
Dividend income	43,383	113,013
Rental income from non-current assets	70,198	74,024
Share of profit of entities accounted for using equity method	143,016	74,464
Other	112,193	139,607
Total non-operating income	430,954	481,563
Non-operating expenses		
Interest expenses	38,783	52,944
Foreign exchange losses	64,073	130,034
Other	60,467	58,533
Total non-operating expenses	163,323	241,511
Ordinary profit	3,168,657	1,990,077
Profit before income taxes	3,168,657	1,990,077
Income taxes - current	825,782	704,190
Income taxes - deferred	85,859	(8,684)
Total income taxes	911,641	695,506
Profit	2,257,016	1,294,571
Profit attributable to non-controlling interests	224,406	59,920
Profit attributable to owners of parent	2,032,610	1,234,651

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	2,257,016	1,294,571
Other comprehensive income		
Valuation difference on available-for-sale securities	(375,817)	(219,915)
Foreign currency translation adjustment	(545,697)	(8,739)
Remeasurements of defined benefit plans, net of tax	135,690	(133,142)
Share of other comprehensive income of entities accounted for using equity method	(54,370)	(16,048)
Total other comprehensive income	(840,194)	(377,844)
Comprehensive income	1,416,822	916,727
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,279,566	851,283
Comprehensive income attributable to non-controlling interests	137,256	65,444

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,352,121	5,040,199	20,974,037	(524,974)	30,841,383
Changes during period					
Dividends of surplus			(509,267)		(509,267)
Profit attributable to owners of parent			2,032,610		2,032,610
Change in scope of equity method			93,509		93,509
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	1,616,852	(2)	1,616,850
Balance at end of period	5,352,121	5,040,199	22,590,889	(524,976)	32,458,233

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	747,709	1,357,644	(441,060)	1,664,293	2,885,719	35,391,395
Changes during period						
Dividends of surplus				–		(509,267)
Profit attributable to owners of parent				–		2,032,610
Change in scope of equity method				–		93,509
Purchase of treasury shares				–		(2)
Net changes in items other than shareholders' equity	(374,884)	(513,850)	135,690	(753,044)	(96,725)	(849,769)
Total changes during period	(374,884)	(513,850)	135,690	(753,044)	(96,725)	767,081
Balance at end of period	372,825	843,794	(305,370)	911,249	2,788,994	36,158,476

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,352,121	5,040,199	22,590,889	(524,976)	32,458,233
Changes during period					
Dividends of surplus			(509,267)		(509,267)
Profit attributable to owners of parent			1,234,651		1,234,651
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	725,384	–	725,384
Balance at end of period	5,352,121	5,040,199	23,316,273	(524,976)	33,183,617

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	372,825	843,794	(305,370)	911,249	2,788,994	36,158,476
Changes during period						
Dividends of surplus				–		(509,267)
Profit attributable to owners of parent				–		1,234,651
Net changes in items other than shareholders' equity	(219,400)	(30,826)	(133,142)	(383,368)	(114,045)	(497,413)
Total changes during period	(219,400)	(30,826)	(133,142)	(383,368)	(114,045)	227,971
Balance at end of period	153,425	812,968	(438,512)	527,881	2,674,949	36,386,447



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	3,168,657	1,990,077
Depreciation	1,558,530	1,514,955
Increase (decrease) in retirement benefit liability	(14,195)	37,260
Increase (decrease) in provision for bonuses	4,022	17,097
Increase (decrease) in allowance for doubtful accounts	(96,452)	14,127
Interest and dividend income	(105,547)	(193,468)
Interest expenses	38,783	52,944
Foreign exchange losses (gains)	20,957	(5,552)
Surrender value of insurance policies	(3,756)	(1,625)
Loss (gain) on sales of investment securities	(1)	(12)
Loss (gain) on sales of property, plant and equipment	(1,406)	(21,224)
Loss on retirement of property, plant and equipment	13,375	18,356
Share of loss (profit) of entities accounted for using equity method	(143,016)	(74,464)
Decrease (increase) in trade receivables	862,452	468,141
Decrease (increase) in inventories	(162,769)	(186,974)
Decrease (increase) in other current assets	(33,637)	(19,414)
Decrease (increase) in leasehold and guarantee deposits	(55,502)	32,899
Increase (decrease) in trade payables	(318,405)	(1,291,464)
Increase (decrease) in accrued expenses	42,855	(176,258)
Increase (decrease) in accrued consumption taxes	(19,969)	65,777
Increase (decrease) in other current liabilities	(27,912)	(13,415)
Other, net	(98,811)	(9,928)
Subtotal	4,628,253	2,217,835
Interest and dividends received	122,767	211,657
Interest paid	(28,628)	(63,956)
Income taxes paid	(790,141)	(760,805)
Income taxes refund	21,169	744
Net cash provided by (used in) operating activities	3,953,420	1,605,475

	(Thousands of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Payments into time deposits	(2,434,549)	(2,628,621)
Proceeds from withdrawal of time deposits	2,046,154	2,449,194
Purchase of property, plant and equipment	(1,463,141)	(1,400,450)
Proceeds from sales of property, plant and equipment	4,667	28,995
Purchase of intangible assets	(67,788)	(68,270)
Purchase of investment securities	(5,793)	(10,958)
Proceeds from sales of investment securities	1	27
Purchase of insurance funds	(34,468)	(73,618)
Proceeds from maturity of insurance funds	7,848	84,258
Loan advances	—	(99,890)
Collection of loans receivable	5,272	13,143
Other payments	(30,067)	(108,985)
Other proceeds	16,591	93,386
Net cash provided by (used in) investing activities	(1,955,273)	(1,721,789)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	293,460	(58,032)
Redemption of bonds	(500,000)	—
Repayments of lease obligations	(54,179)	(97,979)
Purchase of treasury shares	(2)	—
Dividends paid	(509,267)	(509,267)
Dividends paid to non-controlling interests	(168,400)	(163,293)
Net cash provided by (used in) financing activities	(938,388)	(828,571)
Effect of exchange rate change on cash and cash equivalents	(81,521)	(23,145)
Net increase (decrease) in cash and cash equivalents	978,238	(968,030)
Cash and cash equivalents at beginning of period	11,790,825	12,769,063
Cash and cash equivalents at end of period	12,769,063	11,801,033