

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 14, 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
 Inquiries: of Administrative Headquarters Yoshizo Shimoda TEL 03-3436-1101
 Scheduled date to file Quarterly Securities Report: February 14, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(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	%
Nine months ended December 31, 2019	41,264	(2.7)	1,615	(34.8)	1,829	(31.1)	1,184	(29.7)
Nine months ended December 31, 2018	42,403	(2.5)	2,478	22.9	2,654	19.8	1,683	7.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	37.19	–
Nine months ended December 31, 2018	52.89	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	52,146	36,320	64.6
As of March 31, 2019	51,940	36,158	64.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	8.00	–	8.00	16.00
Year ending March 31, 2020	–	8.00	–		
Year ending March 31, 2020 (Forecast)				8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	55,000	(0.4)	2,300	(20.7)	2,500	(21.1)	1,700	(16.4)	53.41

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2019	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 December 31, 2019	887,714 shares	As of March 31, 2019	887,714 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	31,829,164 shares	Nine months ended December 31, 2018	31,829,166 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	14,098,715	13,464,619
Notes and accounts receivable - trade	11,047,343	12,054,353
Merchandise and finished goods	3,560,597	3,492,958
Work in process	81,990	75,969
Raw materials and supplies	2,042,549	2,090,122
Other	709,035	687,311
Allowance for doubtful accounts	(123,097)	(113,715)
Total current assets	31,417,132	31,751,617
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,650,978	11,708,256
Accumulated depreciation	(6,345,144)	(6,588,363)
Buildings and structures, net	5,305,834	5,119,893
Machinery, equipment and vehicles	13,627,760	13,731,951
Accumulated depreciation	(11,274,224)	(11,502,580)
Machinery, equipment and vehicles, net	2,353,536	2,229,371
Tools, furniture and fixtures	4,795,511	4,884,012
Accumulated depreciation	(3,815,260)	(4,013,181)
Tools, furniture and fixtures, net	980,251	870,831
Land	4,532,259	4,515,269
Leased assets	289,700	569,124
Accumulated depreciation	(191,154)	(242,966)
Leased assets, net	98,546	326,158
Construction in progress	191,162	477,648
Total property, plant and equipment	13,461,588	13,539,170
Intangible assets		
Software	273,752	230,867
Other	1,031,561	950,226
Total intangible assets	1,305,313	1,181,093
Investments and other assets		
Investment securities	2,418,283	2,621,247
Long-term loans receivable	24,554	72,617
Deferred tax assets	627,923	512,205
Other	3,123,643	2,906,658
Allowance for doubtful accounts	(438,421)	(438,771)
Total investments and other assets	5,755,982	5,673,956
Total non-current assets	20,522,883	20,394,219
Total assets	51,940,015	52,145,836

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,022,381	7,132,112
Short-term borrowings	2,623,230	2,639,588
Income taxes payable	402,400	128,905
Accrued expenses	1,084,538	1,096,974
Provision for bonuses	576,871	321,571
Lease obligations	45,246	78,384
Other	1,083,179	1,396,379
Total current liabilities	12,837,845	12,793,913
Non-current liabilities		
Deferred tax liabilities	105,643	102,293
Retirement benefit liability	2,383,537	2,392,599
Long-term accounts payable - other	125,998	120,660
Lease obligations	54,499	133,677
Other	274,017	283,073
Total non-current liabilities	2,943,694	3,032,302
Total liabilities	15,781,539	15,826,215
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	23,265,302
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	32,458,233	33,132,646
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	372,825	473,549
Foreign currency translation adjustment	843,794	413,185
Remeasurements of defined benefit plans	(305,370)	(318,315)
Total accumulated other comprehensive income	911,249	568,419
Non-controlling interests	2,788,994	2,618,556
Total net assets	36,158,476	36,319,621
Total liabilities and net assets	51,940,015	52,145,836

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	42,402,602	41,264,462
Cost of sales	29,725,679	29,461,454
Gross profit	12,676,923	11,803,008
Selling, general and administrative expenses	10,199,234	10,188,475
Operating profit	2,477,689	1,614,533
Non-operating income		
Interest income	42,114	59,572
Dividend income	43,312	112,945
Rental income from non-current assets	51,981	55,165
Share of profit of entities accounted for using equity method	94,074	58,157
Other	79,992	75,598
Total non-operating income	311,473	361,437
Non-operating expenses		
Interest expenses	28,358	39,497
Foreign exchange losses	69,951	77,753
Other	36,984	29,907
Total non-operating expenses	135,293	147,157
Ordinary profit	2,653,869	1,828,813
Profit before income taxes	2,653,869	1,828,813
Income taxes - current	657,063	513,028
Income taxes - deferred	124,477	76,449
Total income taxes	781,540	589,477
Profit	1,872,329	1,239,336
Profit attributable to non-controlling interests	188,839	55,656
Profit attributable to owners of parent	1,683,490	1,183,680

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,872,329	1,239,336
Other comprehensive income		
Valuation difference on available-for-sale securities	(391,066)	101,776
Foreign currency translation adjustment	(144,073)	(434,728)
Remeasurements of defined benefit plans, net of tax	15,512	(12,945)
Share of other comprehensive income of entities accounted for using equity method	(54,698)	(44,196)
Total other comprehensive income	(574,325)	(390,093)
Comprehensive income	1,298,004	849,243
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,157,953	840,850
Comprehensive income attributable to non-controlling interests	140,051	8,393