

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

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 TEL 03-3436-1101
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 29, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	49,498	(6.8)	1,620	(7.4)	1,898	(4.7)	1,220	(1.2)
Year ended March 31, 2020	53,107	(3.8)	1,750	(39.7)	1,990	(37.2)	1,235	(39.3)

	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, 2021	38.34	—	3.6	3.6	3.3
Year ended March 31, 2020	38.79	—	3.7	3.9	3.3

(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, 2021	53,795	36,505	63.0	1,064.12
As of March 31, 2020	50,814	36,386	66.3	1,059.14

(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, 2021	1,594	(1,075)	(382)	11,782
Year ended March 31, 2020	1,605	(1,722)	(829)	11,801

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, 2020	—	8.00	—	8.00	16.00	509	41.2	1.5
Year ended March 31, 2021	—	8.00	—	8.00	16.00	509	41.7	1.5
Year ending March 31, 2022 (Forecast)	—	8.00	—	8.00	16.00		31.8	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	25,700	20.7	1,100	—	1,200	—	800	—	25.13
Full year	52,500	6.1	2,300	42.0	2,500	31.7	1,600	31.1	50.27

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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: No

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, 2021	32,716,878 shares	As of March 31, 2020	32,716,878 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	887,714 shares	As of March 31, 2020	887,714 shares
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Average number of shares during the period

Year ended March 31, 2021	31,829,164 shares	Year ended March 31, 2020	31,829,164 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	13,323,573	12,730,767
Notes and accounts receivable - trade	10,561,996	12,866,377
Merchandise and finished goods	3,744,144	3,969,448
Work in process	55,568	56,747
Raw materials and supplies	2,057,400	2,353,552
Other	692,287	1,031,110
Allowance for doubtful accounts	(134,118)	(150,949)
Total current assets	30,300,850	32,857,052
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,827,657	12,504,206
Accumulated depreciation	(6,697,609)	(7,010,500)
Buildings and structures, net	5,130,048	5,493,706
Machinery, equipment and vehicles	14,088,065	14,281,284
Accumulated depreciation	(11,726,640)	(11,914,060)
Machinery, equipment and vehicles, net	2,361,425	2,367,224
Tools, furniture and fixtures	5,038,124	5,150,624
Accumulated depreciation	(4,115,364)	(4,297,945)
Tools, furniture and fixtures, net	922,760	852,679
Land	4,546,650	4,492,078
Leased assets	659,242	703,640
Accumulated depreciation	(266,020)	(288,381)
Leased assets, net	393,222	415,259
Construction in progress	452,327	198,661
Total property, plant and equipment	13,806,432	13,819,607
Intangible assets		
Software	237,816	150,785
Other	957,761	812,926
Total intangible assets	1,195,577	963,711
Investments and other assets		
Investment securities	2,196,572	3,038,212
Long-term loans receivable	73,343	67,950
Deferred tax assets	741,990	599,185
Other	2,938,188	2,888,403
Allowance for doubtful accounts	(438,771)	(438,971)
Total investments and other assets	5,511,322	6,154,779
Total non-current assets	20,513,331	20,938,097
Total assets	50,814,181	53,795,149

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,708,733	7,709,815
Short-term borrowings	2,580,808	2,893,770
Lease obligations	84,972	91,887
Income taxes payable	274,296	168,715
Accrued expenses	892,541	940,212
Provision for bonuses	593,386	588,057
Other	1,045,565	1,390,482
Total current liabilities	11,180,301	13,782,938
Non-current liabilities		
Lease obligations	191,872	214,581
Deferred tax liabilities	111,788	139,476
Retirement benefit liability	2,561,236	2,708,350
Long-term accounts payable - other	116,133	116,954
Other	266,404	327,886
Total non-current liabilities	3,247,433	3,507,247
Total liabilities	14,427,734	17,290,185
Net assets		
Shareholders' equity		
Share capital	5,352,121	5,352,121
Capital surplus	5,040,199	5,040,199
Retained earnings	23,316,273	24,027,316
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	33,183,617	33,894,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	153,425	476,672
Foreign currency translation adjustment	812,968	116,986
Remeasurements of defined benefit plans	(438,512)	(618,348)
Total accumulated other comprehensive income	527,881	(24,690)
Non-controlling interests	2,674,949	2,634,994
Total net assets	36,386,447	36,504,964
Total liabilities and net assets	50,814,181	53,795,149

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

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	53,107,417	49,498,467
Cost of sales	37,910,512	35,861,978
Gross profit	15,196,905	13,636,489
Selling, general and administrative expenses	13,446,880	12,016,593
Operating profit	1,750,025	1,619,896
Non-operating income		
Interest income	80,455	50,660
Dividend income	113,013	35,714
Rental income from non-current assets	74,024	70,844
Share of profit of entities accounted for using equity method	74,464	13,155
Foreign exchange gains	—	79,270
Other	139,607	132,554
Total non-operating income	481,563	382,197
Non-operating expenses		
Interest expenses	52,944	39,177
Foreign exchange losses	130,034	—
Loss on retirement of non-current assets	18,356	27,042
Guarantee commission	10,898	12,340
Other	29,279	25,996
Total non-operating expenses	241,511	104,555
Ordinary profit	1,990,077	1,897,538
Profit before income taxes	1,990,077	1,897,538
Income taxes - current	704,190	452,755
Income taxes - deferred	(8,684)	30,807
Total income taxes	695,506	483,562
Profit	1,294,571	1,413,976
Profit attributable to non-controlling interests	59,920	193,666
Profit attributable to owners of parent	1,234,651	1,220,310

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,294,571	1,413,976
Other comprehensive income		
Valuation difference on available-for-sale securities	(219,915)	325,061
Foreign currency translation adjustment	(8,739)	(746,414)
Remeasurements of defined benefit plans, net of tax	(133,142)	(179,836)
Share of other comprehensive income of entities accounted for using equity method	(16,048)	25,542
Total other comprehensive income	(377,844)	(575,647)
Comprehensive income	916,727	838,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	851,283	667,739
Comprehensive income attributable to non-controlling interests	65,444	170,590

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2021

(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	23,316,273	(524,976)	33,183,617
Changes during period					
Dividends of surplus			(509,267)		(509,267)
Profit attributable to owners of parent			1,220,310		1,220,310
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	711,043	–	711,043
Balance at end of period	5,352,121	5,040,199	24,027,316	(524,976)	33,894,660

	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	153,425	812,968	(438,512)	527,881	2,674,949	36,386,447
Changes during period						
Dividends of surplus				–		(509,267)
Profit attributable to owners of parent				–		1,220,310
Net changes in items other than shareholders' equity	323,247	(695,982)	(179,836)	(552,571)	(39,955)	(592,526)
Total changes during period	323,247	(695,982)	(179,836)	(552,571)	(39,955)	118,517
Balance at end of period	476,672	116,986	(618,348)	(24,690)	2,634,994	36,504,964

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,990,077	1,897,538
Depreciation	1,514,955	1,447,032
Increase (decrease) in retirement benefit liability	37,260	(45,679)
Increase (decrease) in provision for bonuses	17,097	(4,297)
Increase (decrease) in allowance for doubtful accounts	14,127	16,073
Interest and dividend income	(193,468)	(86,374)
Interest expenses	52,944	39,177
Foreign exchange losses (gains)	(5,552)	5,547
Surrender value of insurance policies	(1,625)	(4,878)
Loss (gain) on sale of investment securities	(12)	—
Loss (gain) on sale of property, plant and equipment	(21,224)	(12,274)
Loss on retirement of property, plant and equipment	18,356	27,042
Share of loss (profit) of entities accounted for using equity method	(74,464)	(13,155)
Decrease (increase) in trade receivables	468,141	(2,399,938)
Decrease (increase) in inventories	(186,974)	(635,415)
Decrease (increase) in other current assets	(19,414)	(17,826)
Decrease (increase) in leasehold and guarantee deposits	32,899	50,147
Increase (decrease) in trade payables	(1,291,464)	2,039,785
Increase (decrease) in accrued expenses	(176,258)	72,324
Increase (decrease) in accrued consumption taxes	65,777	(82,031)
Increase (decrease) in other current liabilities	(13,415)	66,903
Other, net	(9,928)	(97,200)
Subtotal	2,217,835	2,262,501
Interest and dividends received	211,657	95,311
Interest paid	(63,956)	(36,636)
Income taxes paid	(760,805)	(740,773)
Income taxes refund	744	13,626
Net cash provided by (used in) operating activities	1,605,475	1,594,029

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Payments into time deposits	(2,628,621)	(2,201,010)
Proceeds from withdrawal of time deposits	2,449,194	2,715,500
Purchase of property, plant and equipment	(1,400,450)	(1,221,095)
Proceeds from sale of property, plant and equipment	28,995	40,724
Purchase of intangible assets	(68,270)	(14,649)
Purchase of investment securities	(10,958)	(14,758)
Proceeds from sale of investment securities	27	–
Purchase of shares of subsidiaries	–	(353,628)
Purchase of insurance funds	(73,618)	(30,151)
Proceeds from maturity of insurance funds	84,258	46,126
Loan advances	(99,890)	(61,586)
Proceeds from collection of loans receivable	13,143	24,793
Other payments	(108,985)	(10,336)
Other proceeds	93,386	4,968
Net cash provided by (used in) investing activities	(1,721,789)	(1,075,102)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(58,032)	346,636
Repayments of lease obligations	(97,979)	(95,481)
Dividends paid	(509,267)	(509,267)
Dividends paid to non-controlling interests	(163,293)	(123,747)
Net cash provided by (used in) financing activities	(828,571)	(381,859)
Effect of exchange rate change on cash and cash equivalents	(23,145)	(156,084)
Net increase (decrease) in cash and cash equivalents	(968,030)	(19,016)
Cash and cash equivalents at beginning of period	12,769,063	11,801,033
Cash and cash equivalents at end of period	11,801,033	11,782,017