

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 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: August 7, 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	11,298	(17.3)	103	(81.6)	311	(53.1)	156	(63.9)
Three months ended June 30, 2019	13,661	(4.6)	561	(37.4)	662	(30.1)	434	(26.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	4.91	–
Three months ended June 30, 2019	13.63	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	50,096	35,523	65.8
As of March 31, 2020	50,814	36,386	66.3

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, 2020	–	8.00	–	8.00	16.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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
Six months ending September 30, 2020	21,500	(23.5)	(400)	–	(200)	–	(300)	–	(9.43)
Full year	44,500	(16.2)	120	(93.1)	200	(89.9)	(100)	–	(3.14)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(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: No
- 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 June 30, 2020	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 June 30, 2020	887,714 shares	As of March 31, 2020	887,714 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	31,829,164 shares	Three months ended June 30, 2019	31,829,164 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	13,323,573	13,634,337
Notes and accounts receivable - trade	10,561,996	9,480,332
Merchandise and finished goods	3,744,144	3,737,625
Work in process	55,568	55,896
Raw materials and supplies	2,057,400	2,091,511
Other	692,287	983,763
Allowance for doubtful accounts	(134,118)	(140,933)
Total current assets	30,300,850	29,842,531
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,827,657	11,747,423
Accumulated depreciation	(6,697,609)	(6,757,214)
Buildings and structures, net	5,130,048	4,990,209
Machinery, equipment and vehicles	14,088,065	13,954,370
Accumulated depreciation	(11,726,640)	(11,722,137)
Machinery, equipment and vehicles, net	2,361,425	2,232,233
Tools, furniture and fixtures	5,038,124	5,009,065
Accumulated depreciation	(4,115,364)	(4,140,419)
Tools, furniture and fixtures, net	922,760	868,646
Land	4,546,650	4,507,737
Leased assets	659,242	664,916
Accumulated depreciation	(266,020)	(249,164)
Leased assets, net	393,222	415,752
Construction in progress	452,327	675,660
Total property, plant and equipment	13,806,432	13,690,237
Intangible assets		
Software	237,816	215,448
Other	957,761	890,574
Total intangible assets	1,195,577	1,106,022
Investments and other assets		
Investment securities	2,196,572	2,249,089
Long-term loans receivable	73,343	71,465
Deferred tax assets	741,990	726,293
Other	2,938,188	2,849,487
Allowance for doubtful accounts	(438,771)	(438,771)
Total investments and other assets	5,511,322	5,457,563
Total non-current assets	20,513,331	20,253,822
Total assets	50,814,181	50,096,353

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,708,733	5,478,208
Short-term borrowings	2,580,808	3,062,890
Income taxes payable	274,296	96,060
Accrued expenses	892,541	917,084
Provision for bonuses	593,386	341,457
Lease obligations	84,972	89,950
Other	1,045,565	1,397,512
Total current liabilities	11,180,301	11,383,161
Non-current liabilities		
Deferred tax liabilities	111,788	109,433
Retirement benefit liability	2,561,236	2,470,879
Long-term accounts payable - other	116,133	117,252
Lease obligations	191,872	221,321
Other	266,404	271,713
Total non-current liabilities	3,247,433	3,190,598
Total liabilities	14,427,734	14,573,759
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	23,218,052
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	33,183,617	33,085,396
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	153,425	195,671
Foreign currency translation adjustment	812,968	102,704
Remeasurements of defined benefit plans	(438,512)	(408,684)
Total accumulated other comprehensive income	527,881	(110,309)
Non-controlling interests	2,674,949	2,547,507
Total net assets	36,386,447	35,522,594
Total liabilities and net assets	50,814,181	50,096,353

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	13,660,951	11,298,257
Cost of sales	9,702,775	8,056,120
Gross profit	3,958,176	3,242,137
Selling, general and administrative expenses	3,397,602	3,139,183
Operating profit	560,574	102,954
Non-operating income		
Interest income	15,837	16,508
Dividend income	87,502	23,083
Rental income from non-current assets	17,942	18,241
Foreign exchange gains	–	160,930
Other	38,318	25,339
Total non-operating income	159,599	244,101
Non-operating expenses		
Interest expenses	10,733	8,173
Foreign exchange losses	38,442	–
Loss on retirement of non-current assets	115	20,743
Other	8,725	7,352
Total non-operating expenses	58,015	36,268
Ordinary profit	662,158	310,787
Profit before income taxes	662,158	310,787
Income taxes - current	125,708	107,580
Income taxes - deferred	79,156	(1,515)
Total income taxes	204,864	106,065
Profit	457,294	204,722
Profit attributable to non-controlling interests	23,605	48,310
Profit attributable to owners of parent	433,689	156,412

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	457,294	204,722
Other comprehensive income		
Valuation difference on available-for-sale securities	(47,826)	43,170
Foreign currency translation adjustment	135,753	(730,530)
Remeasurements of defined benefit plans, net of tax	(33,785)	29,828
Share of other comprehensive income of entities accounted for using equity method	31,238	(62,140)
Total other comprehensive income	85,380	(719,672)
Comprehensive income	542,674	(514,950)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	487,596	(481,778)
Comprehensive income attributable to non-controlling interests	55,078	(33,172)