

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: FUJIKURA KASEI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4620 URL <http://www.fkkasei.co.jp>
 Representative: President Daisuke Kato
 Executive Director and Division Director of
 Inquiries: Administrative Susumu Kurihara TEL 03-3436-1101
 Headquarters of the Company
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	48,214	(2.6)	1,229	(24.1)	1,449	(23.6)	741	(39.3)
Year ended March 31, 2021	49,498	(6.8)	1,620	(7.4)	1,898	(4.7)	1,220	(1.2)

	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, 2022	23.28	—	2.1	2.7	2.5
Year ended March 31, 2021	38.34	—	3.6	3.6	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, 2022	52,763	38,520	67.8	1,124.39
As of March 31, 2021	53,795	36,505	63.0	1,064.12

(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, 2022	2,583	(812)	(923)	12,975
Year ended March 31, 2021	1,594	(1,075)	(382)	11,782

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, 2021	—	8.00	—	8.00	16.00	509	41.7	1.5
Year ended March 31, 2022	—	8.00	—	8.00	16.00	509	68.7	1.5
Year ending March 31, 2023 (Forecast)	—	8.00	—	8.00	16.00		50.9	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	26,000	3.9	650	(50.0)	750	(44.9)	450	(50.8)	14.14
Full year	53,000	9.9	1,450	18.0	1,650	13.9	1,000	35.0	31.42

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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, 2022	32,716,878 shares	As of March 31, 2021	32,716,878 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	887,714 shares	As of March 31, 2021	887,714 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2022	31,829,164 shares	Year ended March 31, 2021	31,829,164 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	12,730,767	13,530,833
Notes and accounts receivable - trade	12,866,377	—
Notes receivable - trade	—	932,142
Accounts receivable - trade	—	8,926,459
Merchandise and finished goods	3,969,448	4,108,863
Work in process	56,747	87,598
Raw materials and supplies	2,353,552	2,931,719
Other	1,031,110	881,876
Allowance for doubtful accounts	(150,949)	(149,510)
Total current assets	32,857,052	31,249,980
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,504,206	13,106,667
Accumulated depreciation	(7,010,500)	(7,520,642)
Buildings and structures, net	5,493,706	5,586,025
Machinery, equipment and vehicles	14,281,284	15,048,666
Accumulated depreciation	(11,914,060)	(12,702,086)
Machinery, equipment and vehicles, net	2,367,224	2,346,580
Tools, furniture and fixtures	5,150,624	5,313,265
Accumulated depreciation	(4,297,945)	(4,536,173)
Tools, furniture and fixtures, net	852,679	777,092
Land	4,492,078	4,550,638
Leased assets	703,640	778,595
Accumulated depreciation	(288,381)	(386,730)
Leased assets, net	415,259	391,865
Construction in progress	198,661	340,671
Total property, plant and equipment	13,819,607	13,992,871
Intangible assets		
Software	150,785	134,690
Other	812,926	844,033
Total intangible assets	963,711	978,723
Investments and other assets		
Investment securities	3,038,212	3,150,865
Long-term loans receivable	67,950	199,847
Deferred tax assets	599,185	525,944
Other	2,888,403	2,805,080
Allowance for doubtful accounts	(438,971)	(139,938)
Total investments and other assets	6,154,779	6,541,798
Total non-current assets	20,938,097	21,513,392
Total assets	53,795,149	52,763,372

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,709,815	5,031,797
Short-term borrowings	2,893,770	2,911,290
Lease liabilities	91,887	102,033
Income taxes payable	168,715	277,144
Accrued expenses	940,212	1,025,169
Provision for bonuses	588,057	608,896
Other	1,390,482	1,150,914
Total current liabilities	13,782,938	11,107,243
Non-current liabilities		
Lease liabilities	214,581	169,148
Deferred tax liabilities	139,476	113,206
Retirement benefit liability	2,708,350	2,394,572
Long-term accounts payable - other	116,954	109,316
Other	327,886	350,368
Total non-current liabilities	3,507,247	3,136,610
Total liabilities	17,290,185	14,243,853
Net assets		
Shareholders' equity		
Share capital	5,352,121	5,352,121
Capital surplus	5,040,199	5,040,199
Retained earnings	24,027,316	24,259,147
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	33,894,660	34,126,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	476,672	552,498
Foreign currency translation adjustment	116,986	1,118,815
Remeasurements of defined benefit plans	(618,348)	(9,370)
Total accumulated other comprehensive income	(24,690)	1,661,943
Non-controlling interests	2,634,994	2,731,085
Total net assets	36,504,964	38,519,519
Total liabilities and net assets	53,795,149	52,763,372

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	49,498,467	48,214,371
Cost of sales	35,861,978	34,027,777
Gross profit	13,636,489	14,186,594
Selling, general and administrative expenses	12,016,593	12,957,156
Operating profit	1,619,896	1,229,438
Non-operating income		
Interest income	50,660	31,488
Dividend income	35,714	46,409
Rental income from non-current assets	70,844	69,995
Share of profit of entities accounted for using equity method	13,155	43,005
Gain on sale of investment securities	—	114,579
Foreign exchange gains	79,270	—
Other	132,554	142,480
Total non-operating income	382,197	447,956
Non-operating expenses		
Interest expenses	39,177	42,960
Foreign exchange losses	—	352
Loss on retirement of non-current assets	27,042	6,121
Guarantee commission	12,340	5,473
Provision of allowance for doubtful accounts	200	130,060
Other	25,796	43,381
Total non-operating expenses	104,555	228,347
Ordinary profit	1,897,538	1,449,047
Profit before income taxes	1,897,538	1,449,047
Income taxes - current	452,755	581,945
Income taxes - deferred	30,807	56,820
Total income taxes	483,562	638,765
Profit	1,413,976	810,282
Profit attributable to non-controlling interests	193,666	69,184
Profit attributable to owners of parent	1,220,310	741,098

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,413,976	810,282
Other comprehensive income		
Valuation difference on available-for-sale securities	325,061	74,392
Foreign currency translation adjustment	(746,414)	1,164,306
Remeasurements of defined benefit plans, net of tax	(179,836)	608,978
Share of other comprehensive income of entities accounted for using equity method	25,542	(32,911)
Total other comprehensive income	(575,647)	1,814,765
Comprehensive income	838,329	2,625,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	667,739	2,427,731
Comprehensive income attributable to non-controlling interests	170,590	197,316

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2022

(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	24,027,316	(524,976)	33,894,660
Changes during period					
Dividends of surplus			(509,267)		(509,267)
Profit attributable to owners of parent			741,098		741,098
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	231,831	—	231,831
Balance at end of period	5,352,121	5,040,199	24,259,147	(524,976)	34,126,491

	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	476,672	116,986	(618,348)	(24,690)	2,634,994	36,504,964
Changes during period						
Dividends of surplus				—		(509,267)
Profit attributable to owners of parent				—		741,098
Net changes in items other than shareholders' equity	75,826	1,001,829	608,978	1,686,633	96,091	1,782,724
Total changes during period	75,826	1,001,829	608,978	1,686,633	96,091	2,014,555
Balance at end of period	552,498	1,118,815	(9,370)	1,661,943	2,731,085	38,519,519

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,897,538	1,449,047
Depreciation	1,447,032	1,480,471
Increase (decrease) in retirement benefit liability	(45,679)	32,449
Increase (decrease) in provision for bonuses	(4,297)	17,820
Increase (decrease) in allowance for doubtful accounts	16,073	(316,060)
Interest and dividend income	(86,374)	(77,897)
Interest expenses	39,177	42,960
Foreign exchange losses (gains)	5,547	43,370
Surrender value of insurance policies	(4,878)	(29,995)
Loss (gain) on sale of investment securities	—	(114,579)
Loss (gain) on sale of property, plant and equipment	(12,274)	(6,021)
Loss on retirement of property, plant and equipment	27,042	6,121
Share of loss (profit) of entities accounted for using equity method	(13,155)	(43,005)
Decrease (increase) in trade receivables	(2,399,938)	3,789,839
Decrease (increase) in inventories	(635,415)	(385,272)
Decrease (increase) in other current assets	(17,826)	(101,272)
Decrease (increase) in leasehold and guarantee deposits	50,147	(5,331)
Increase (decrease) in trade payables	2,039,785	(2,910,286)
Increase (decrease) in accrued expenses	72,324	15,863
Increase (decrease) in accrued consumption taxes	(82,031)	135,172
Increase (decrease) in other current liabilities	66,903	(33,698)
Other, net	(97,200)	(69,058)
Subtotal	2,262,501	2,920,638
Interest and dividends received	95,311	78,106
Interest paid	(36,636)	(41,936)
Income taxes paid	(740,773)	(517,569)
Income taxes refund	13,626	144,195
Net cash provided by (used in) operating activities	1,594,029	2,583,434

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	(2,201,010)	(1,281,900)
Proceeds from withdrawal of time deposits	2,715,500	1,713,905
Purchase of property, plant and equipment	(1,221,095)	(1,262,101)
Proceeds from sale of property, plant and equipment	40,724	7,852
Purchase of intangible assets	(14,649)	(47,783)
Purchase of investment securities	(14,758)	(6,620)
Proceeds from sale of investment securities	—	148,720
Purchase of shares of subsidiaries	(353,628)	—
Purchase of insurance funds	(30,151)	(63,857)
Proceeds from maturity of insurance funds	46,126	71,259
Loan advances	(61,586)	(59,315)
Proceeds from collection of loans receivable	24,793	6,014
Other payments	(10,336)	(140,022)
Other proceeds	4,968	102,342
Net cash provided by (used in) investing activities	(1,075,102)	(811,506)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	346,636	(200,000)
Repayments of lease liabilities	(95,481)	(103,074)
Dividends paid	(509,267)	(509,267)
Dividends paid to non-controlling interests	(123,747)	(110,303)
Net cash provided by (used in) financing activities	(381,859)	(922,644)
Effect of exchange rate change on cash and cash equivalents	(156,084)	343,477
Net increase (decrease) in cash and cash equivalents	(19,016)	1,192,761
Cash and cash equivalents at beginning of period	11,801,033	11,782,017
Cash and cash equivalents at end of period	11,782,017	12,974,778