

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

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 to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: December 6, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	25,032	17.6	1,299	—	1,361	—	914	—
Six months ended September 30, 2020	21,294	(24.2)	(366)	—	(141)	—	(308)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	28.72	—
Six months ended September 30, 2020	(9.68)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	53,124	38,287	66.9
As of March 31, 2021	53,795	36,505	63.0

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, 2021	—	8.00	—	8.00	16.00
Year ending March 31, 2022	—	8.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	8.00	16.00

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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,500	6.1	2,800	72.8	3,000	58.1	1,900	55.7	59.69

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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 September 30, 2021	32,716,878 shares	As of March 31, 2021	32,716,878 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	887,714 shares	As of March 31, 2021	887,714 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	31,829,164 shares	Six months ended September 30, 2020	31,829,164 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	12,730,767	12,959,902
Notes and accounts receivable - trade	12,866,377	10,357,537
Merchandise and finished goods	3,969,448	4,373,653
Work in process	56,747	94,010
Raw materials and supplies	2,353,552	2,994,900
Other	1,031,110	983,183
Allowance for doubtful accounts	(150,949)	(137,299)
Total current assets	32,857,052	31,625,886
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,504,206	12,878,839
Accumulated depreciation	(7,010,500)	(7,276,474)
Buildings and structures, net	5,493,706	5,602,365
Machinery, equipment and vehicles	14,281,284	14,791,216
Accumulated depreciation	(11,914,060)	(12,388,702)
Machinery, equipment and vehicles, net	2,367,224	2,402,514
Tools, furniture and fixtures	5,150,624	5,309,350
Accumulated depreciation	(4,297,945)	(4,474,040)
Tools, furniture and fixtures, net	852,679	835,310
Land	4,492,078	4,536,261
Leased assets	703,640	762,630
Accumulated depreciation	(288,381)	(337,928)
Leased assets, net	415,259	424,702
Construction in progress	198,661	172,145
Total property, plant and equipment	13,819,607	13,973,297
Intangible assets		
Software	150,785	126,343
Other	812,926	852,397
Total intangible assets	963,711	978,740
Investments and other assets		
Investment securities	3,038,212	3,274,971
Long-term loans receivable	67,950	68,956
Deferred tax assets	599,185	562,536
Other	2,888,403	3,079,114
Allowance for doubtful accounts	(438,971)	(439,031)
Total investments and other assets	6,154,779	6,546,546
Total non-current assets	20,938,097	21,498,583
Total assets	53,795,149	53,124,469

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,709,815	5,395,964
Short-term borrowings	2,893,770	3,037,390
Lease obligations	91,887	100,958
Income taxes payable	168,715	260,940
Accrued expenses	940,212	907,722
Provision for bonuses	588,057	652,562
Other	1,390,482	930,347
Total current liabilities	13,782,938	11,285,883
Non-current liabilities		
Lease obligations	214,581	207,960
Deferred tax liabilities	139,476	148,041
Retirement benefit liability	2,708,350	2,751,628
Long-term accounts payable - other	116,954	109,569
Other	327,886	334,462
Total non-current liabilities	3,507,247	3,551,660
Total liabilities	17,290,185	14,837,543
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	24,686,813
Treasury shares	(524,976)	(524,976)
Total shareholders' equity	33,894,660	34,554,157
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	476,672	640,604
Foreign currency translation adjustment	116,986	856,313
Remeasurements of defined benefit plans	(618,348)	(503,439)
Total accumulated other comprehensive income	(24,690)	993,478
Non-controlling interests	2,634,994	2,739,291
Total net assets	36,504,964	38,286,926
Total liabilities and net assets	53,795,149	53,124,469

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	21,294,027	25,032,164
Cost of sales	15,663,332	17,237,705
Gross profit	5,630,695	7,794,459
Selling, general and administrative expenses	5,996,665	6,495,671
Operating profit (loss)	(365,970)	1,298,788
Non-operating income		
Interest income	32,391	12,981
Dividend income	23,889	23,262
Rental income from non-current assets	35,954	35,234
Share of profit of entities accounted for using equity method	5,394	10,071
Foreign exchange gains	129,042	—
Other	57,031	69,139
Total non-operating income	283,701	150,687
Non-operating expenses		
Interest expenses	20,844	24,569
Foreign exchange losses	—	40,666
Loss on retirement of non-current assets	20,656	2,436
Other	16,937	21,051
Total non-operating expenses	58,437	88,722
Ordinary profit (loss)	(140,706)	1,360,753
Profit (loss) before income taxes	(140,706)	1,360,753
Income taxes - current	101,929	392,247
Income taxes - deferred	5,995	(34,122)
Total income taxes	107,924	358,125
Profit (loss)	(248,630)	1,002,628
Profit attributable to non-controlling interests	59,360	88,498
Profit (loss) attributable to owners of parent	(307,990)	914,130

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(248,630)	1,002,628
Other comprehensive income		
Valuation difference on available-for-sale securities	79,309	163,819
Foreign currency translation adjustment	(718,431)	847,640
Remeasurements of defined benefit plans, net of tax	(2,347)	114,909
Share of other comprehensive income of entities accounted for using equity method	(29,105)	(33,457)
Total other comprehensive income	(670,574)	1,092,911
Comprehensive income	(919,204)	2,095,539
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(918,811)	1,932,298
Comprehensive income attributable to non-controlling interests	(393)	163,241

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(140,706)	1,360,753
Depreciation	708,172	724,638
Increase (decrease) in retirement benefit liability	(3,691)	28,081
Increase (decrease) in provision for bonuses	(10,031)	62,013
Increase (decrease) in allowance for doubtful accounts	22,203	(22,587)
Interest and dividend income	(56,280)	(36,243)
Interest expenses	20,844	24,569
Decrease (increase) in trade receivables	1,460,299	2,757,933
Decrease (increase) in inventories	83,071	(837,801)
Decrease (increase) in other current assets	23,249	(124,043)
Increase (decrease) in trade payables	(717,460)	(2,474,162)
Increase (decrease) in other current liabilities	81,623	(25,730)
Other, net	(389,251)	20,457
Subtotal	1,082,042	1,457,878
Interest and dividends received	60,015	36,334
Interest paid	(14,878)	(24,362)
Income taxes paid	(499,217)	(310,287)
Income taxes refund	13,626	144,195
Net cash provided by (used in) operating activities	641,588	1,303,758
Cash flows from investing activities		
Payments into time deposits	(1,283,860)	(194,220)
Proceeds from withdrawal of time deposits	1,378,225	568,600
Purchase of property, plant and equipment	(568,538)	(856,398)
Purchase of intangible assets	(8,634)	(13,522)
Purchase of investment securities	(12,269)	(4,739)
Other, net	(23,360)	(51,114)
Net cash provided by (used in) investing activities	(518,436)	(551,393)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	568,274	—
Repayments of lease obligations	(49,716)	(49,623)
Dividends paid	(254,633)	(254,633)
Dividends paid to non-controlling interests	(88,745)	(89,246)
Net cash provided by (used in) financing activities	175,180	(393,502)
Effect of exchange rate change on cash and cash equivalents	(100,619)	216,412
Net increase (decrease) in cash and cash equivalents	197,713	575,275
Cash and cash equivalents at beginning of period	11,801,033	11,782,017
Cash and cash equivalents at end of period	11,998,746	12,357,292