

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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 27, 2023  
 Scheduled date to file Securities Report: June 27, 2023  
 Scheduled date to commence dividend payments: June 28, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest million yen)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	50,843	5.5	351	(71.5)	534	(63.2)	10	(98.7)
Year ended March 31, 2022	48,214	(2.6)	1,229	(24.1)	1,449	(23.6)	741	(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, 2023	0.32	—	0.0	1.0	0.7
Year ended March 31, 2022	23.28	—	2.1	2.7	2.5

#### (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, 2023	54,908	39,598	66.8	1,189.13
As of March 31, 2022	52,763	38,520	67.8	1,124.39

#### (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, 2023	952	(1,177)	(1,238)	11,990
Year ended March 31, 2022	2,583	(812)	(923)	12,975

### 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, 2022	—	8.00	—	8.00	16.00	509	68.7	1.5
Year ended March 31, 2023	—	8.00	—	8.00	16.00	497	5,000.0	1.4
Year ending March 31, 2024 (Forecast)	—	8.00	—	8.00	16.00		44.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	27,000	5.8	500	125.2	600	69.0	400	200.8	12.97
Full year	55,000	8.2	1,300	270.4	1,500	180.9	1,100	—	35.68

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	32,716,878 shares	As of March 31, 2022	32,716,878 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,887,714 shares	As of March 31, 2022	887,714 shares
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Average number of shares during the period

Year ended March 31, 2023	31,300,395 shares	Year ended March 31, 2022	31,829,164 shares
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# Consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	13,530,833	12,212,104
Notes receivable - trade	932,142	944,375
Accounts receivable - trade	8,926,459	8,960,375
Merchandise and finished goods	4,108,863	4,737,535
Work in process	87,598	94,007
Raw materials and supplies	2,931,719	3,606,475
Other	881,876	1,038,075
Allowance for doubtful accounts	(149,510)	(166,924)
Total current assets	31,249,980	31,426,022
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,106,667	13,783,855
Accumulated depreciation	(7,520,642)	(7,981,122)
Buildings and structures, net	5,586,025	5,802,733
Machinery, equipment and vehicles	15,048,666	16,273,403
Accumulated depreciation	(12,702,086)	(13,566,547)
Machinery, equipment and vehicles, net	2,346,580	2,706,856
Tools, furniture and fixtures	5,313,265	5,398,735
Accumulated depreciation	(4,536,173)	(4,684,511)
Tools, furniture and fixtures, net	777,092	714,224
Land	4,550,638	4,624,739
Leased assets	778,595	1,129,669
Accumulated depreciation	(386,730)	(439,556)
Leased assets, net	391,865	690,113
Construction in progress	340,671	751,258
Total property, plant and equipment	13,992,871	15,289,923
Intangible assets		
Software	134,690	264,404
Other	844,033	931,074
Total intangible assets	978,723	1,195,478
Investments and other assets		
Investment securities	3,150,865	3,566,679
Long-term loans receivable	199,847	184,707
Deferred tax assets	525,944	460,316
Other	2,805,080	2,922,865
Allowance for doubtful accounts	(139,938)	(138,323)
Total investments and other assets	6,541,798	6,996,244
Total non-current assets	21,513,392	23,481,645
Total assets	52,763,372	54,907,667

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,031,797	5,527,803
Short-term borrowings	2,911,290	3,067,154
Lease liabilities	102,033	165,991
Income taxes payable	277,144	91,122
Accrued expenses	1,025,169	1,168,364
Provision for bonuses	608,896	612,076
Other	1,150,914	1,281,919
Total current liabilities	11,107,243	11,914,429
Non-current liabilities		
Lease liabilities	169,148	398,364
Deferred tax liabilities	113,206	66,025
Retirement benefit liability	2,394,572	2,453,323
Long-term accounts payable - other	109,316	108,938
Other	350,368	368,303
Total non-current liabilities	3,136,610	3,394,953
Total liabilities	14,243,853	15,309,382
Net assets		
Shareholders' equity		
Share capital	5,352,121	5,352,121
Capital surplus	5,040,199	5,040,199
Retained earnings	24,259,147	23,764,100
Treasury shares	(524,976)	(968,361)
Total shareholders' equity	34,126,491	33,188,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	552,498	833,452
Foreign currency translation adjustment	1,118,815	2,713,802
Remeasurements of defined benefit plans	(9,370)	(75,308)
Total accumulated other comprehensive income	1,661,943	3,471,946
Non-controlling interests	2,731,085	2,938,280
Total net assets	38,519,519	39,598,285
Total liabilities and net assets	52,763,372	54,907,667

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	48,214,371	50,843,232
Cost of sales	34,027,777	36,725,607
Gross profit	14,186,594	14,117,625
Selling, general and administrative expenses	12,957,156	13,766,909
Operating profit	1,229,438	350,716
Non-operating income		
Interest income	31,488	76,002
Dividend income	46,409	71,461
Rental income from non-current assets	69,995	66,184
Share of profit of entities accounted for using equity method	43,005	75,999
Gain on sale of investment securities	114,579	10,855
Gain on sale of scraps	44,468	46,582
Other	98,012	106,282
Total non-operating income	447,956	453,365
Non-operating expenses		
Interest expenses	42,960	75,960
Foreign exchange losses	352	104,779
Loss on retirement of non-current assets	6,121	22,448
Provision of allowance for doubtful accounts	130,060	—
Other	48,854	67,384
Total non-operating expenses	228,347	270,571
Ordinary profit	1,449,047	533,510
Profit before income taxes	1,449,047	533,510
Income taxes - current	581,945	341,440
Income taxes - deferred	56,820	11,581
Total income taxes	638,765	353,021
Profit	810,282	180,489
Profit attributable to non-controlling interests	69,184	170,588
Profit attributable to owners of parent	741,098	9,901

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	810,282	180,489
Other comprehensive income		
Valuation difference on available-for-sale securities	74,392	281,200
Foreign currency translation adjustment	1,164,306	1,761,393
Remeasurements of defined benefit plans, net of tax	608,978	(65,938)
Share of other comprehensive income of entities accounted for using equity method	(32,911)	(34,275)
Total other comprehensive income	1,814,765	1,942,380
Comprehensive income	2,625,047	2,122,869
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,427,731	1,819,904
Comprehensive income attributable to non-controlling interests	197,316	302,965

## Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(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	24,259,147	(524,976)	34,126,491
Changes during period					
Dividends of surplus			(504,948)		(504,948)
Profit attributable to owners of parent			9,901		9,901
Purchase of treasury shares				(443,385)	(443,385)
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	(495,047)	(443,385)	(938,432)
Balance at end of period	5,352,121	5,040,199	23,764,100	(968,361)	33,188,059

	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	552,498	1,118,815	(9,370)	1,661,943	2,731,085	38,519,519
Changes during period						
Dividends of surplus				—		(504,948)
Profit attributable to owners of parent				—		9,901
Purchase of treasury shares				—		(443,385)
Net changes in items other than shareholders' equity	280,954	1,594,987	(65,938)	1,810,003	207,195	2,017,198
Total changes during period	280,954	1,594,987	(65,938)	1,810,003	207,195	1,078,766
Balance at end of period	833,452	2,713,802	(75,308)	3,471,946	2,938,280	39,598,285



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,449,047	533,510
Depreciation	1,480,471	1,496,581
Increase (decrease) in retirement benefit liability	32,449	(150,902)
Increase (decrease) in provision for bonuses	17,820	(2,611)
Increase (decrease) in allowance for doubtful accounts	(316,060)	9,269
Interest and dividend income	(77,897)	(147,463)
Interest expenses	42,960	75,960
Foreign exchange losses (gains)	43,370	59,578
Surrender value of insurance policies	(29,995)	(3,162)
Loss (gain) on sale of investment securities	(114,579)	(10,855)
Loss (gain) on sale of property, plant and equipment	(6,021)	(20,861)
Loss on retirement of property, plant and equipment	6,121	22,448
Share of loss (profit) of entities accounted for using equity method	(43,005)	(75,999)
Decrease (increase) in trade receivables	3,789,839	271,332
Decrease (increase) in inventories	(385,272)	(871,149)
Decrease (increase) in other current assets	(101,272)	38,310
Decrease (increase) in leasehold and guarantee deposits	(5,331)	(6)
Increase (decrease) in trade payables	(2,910,286)	341,944
Increase (decrease) in accrued expenses	15,863	48,945
Increase (decrease) in accrued consumption taxes	135,172	(207,784)
Increase (decrease) in other current liabilities	(33,698)	(44,197)
Other, net	(69,058)	(108,654)
Subtotal	2,920,638	1,254,234
Interest and dividends received	78,106	303,174
Interest paid	(41,936)	(68,754)
Income taxes paid	(517,569)	(542,975)
Income taxes refund	144,195	5,965
Net cash provided by (used in) operating activities	2,583,434	951,644

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(1,281,900)	(949,965)
Proceeds from withdrawal of time deposits	1,713,905	1,330,815
Purchase of property, plant and equipment	(1,262,101)	(1,497,079)
Proceeds from sale of property, plant and equipment	7,852	28,023
Purchase of intangible assets	(47,783)	(213,378)
Purchase of investment securities	(6,620)	(3,433)
Proceeds from sale of investment securities	148,720	27,563
Purchase of insurance funds	(63,857)	(44,669)
Proceeds from maturity of insurance funds	71,259	20,268
Loan advances	(59,315)	—
Proceeds from collection of loans receivable	6,014	9,492
Other payments	(140,022)	(84,375)
Other proceeds	102,342	199,833
Net cash provided by (used in) investing activities	(811,506)	(1,176,905)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200,000)	(9,010)
Repayments of lease liabilities	(103,074)	(124,238)
Purchase of treasury shares	—	(443,385)
Dividends paid	(509,267)	(504,948)
Dividends paid to non-controlling interests	(110,303)	(155,951)
Net cash provided by (used in) financing activities	(922,644)	(1,237,532)
Effect of exchange rate change on cash and cash equivalents	343,477	477,695
Net increase (decrease) in cash and cash equivalents	1,192,761	(985,098)
Cash and cash equivalents at beginning of period	11,782,017	12,974,778
Cash and cash equivalents at end of period	12,974,778	11,989,680