

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 Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 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 to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	25,530	2.0	222	(82.9)	355	(73.9)	133	(85.4)
Six months ended September 30, 2021	25,032	17.6	1,299	—	1,361	—	914	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	4.22	—
Six months ended September 30, 2021	28.72	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	56,155	40,489	66.7
As of March 31, 2022	52,763	38,520	67.8

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, 2022	—	8.00	—	8.00	16.00
Year ending March 31, 2023	—	8.00	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	8.00	16.00

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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	53,000	9.9	800	(34.9)	1,100	(24.1)	400	(46.0)	12.65

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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 September 30, 2022	32,716,878 shares	As of March 31, 2022	32,716,878 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	1,427,514 shares	As of March 31, 2022	887,714 shares
--------------------------	------------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	31,623,807 shares	Six months ended September 30, 2021	31,829,164 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,530,833	12,722,751
Notes receivable - trade	932,142	862,473
Accounts receivable - trade	8,926,459	10,373,033
Merchandise and finished goods	4,108,863	4,512,657
Work in process	87,598	133,226
Raw materials and supplies	2,931,719	3,890,663
Other	881,876	1,039,356
Allowance for doubtful accounts	(149,510)	(166,847)
Total current assets	31,249,980	33,367,312
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,106,667	13,710,872
Accumulated depreciation	(7,520,642)	(7,868,426)
Buildings and structures, net	5,586,025	5,842,446
Machinery, equipment and vehicles	15,048,666	15,865,828
Accumulated depreciation	(12,702,086)	(13,446,260)
Machinery, equipment and vehicles, net	2,346,580	2,419,568
Tools, furniture and fixtures	5,313,265	5,396,124
Accumulated depreciation	(4,536,173)	(4,620,306)
Tools, furniture and fixtures, net	777,092	775,818
Land	4,550,638	4,649,658
Leased assets	778,595	844,733
Accumulated depreciation	(386,730)	(453,139)
Leased assets, net	391,865	391,594
Construction in progress	340,671	682,953
Total property, plant and equipment	13,992,871	14,762,037
Intangible assets		
Software	134,690	157,883
Other	844,033	984,711
Total intangible assets	978,723	1,142,594
Investments and other assets		
Investment securities	3,150,865	3,337,056
Long-term loans receivable	199,847	197,407
Deferred tax assets	525,944	542,773
Other	2,805,080	2,944,232
Allowance for doubtful accounts	(139,938)	(138,323)
Total investments and other assets	6,541,798	6,883,145
Total non-current assets	21,513,392	22,787,776
Total assets	52,763,372	56,155,088

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,031,797	6,080,336
Short-term borrowings	2,911,290	3,333,294
Lease liabilities	102,033	104,601
Income taxes payable	277,144	117,389
Accrued expenses	1,025,169	1,054,986
Provision for bonuses	608,896	627,486
Other	1,150,914	1,162,418
Total current liabilities	11,107,243	12,480,510
Non-current liabilities		
Lease liabilities	169,148	149,828
Deferred tax liabilities	113,206	127,977
Retirement benefit liability	2,394,572	2,439,461
Long-term accounts payable - other	109,316	109,204
Other	350,368	359,059
Total non-current liabilities	3,136,610	3,185,529
Total liabilities	14,243,853	15,666,039
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	24,138,011
Treasury shares	(524,976)	(780,711)
Total shareholders' equity	34,126,491	33,749,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	552,498	657,056
Foreign currency translation adjustment	1,118,815	3,125,317
Remeasurements of defined benefit plans	(9,370)	(50,870)
Total accumulated other comprehensive income	1,661,943	3,731,503
Non-controlling interests	2,731,085	3,007,926
Total net assets	38,519,519	40,489,049
Total liabilities and net assets	52,763,372	56,155,088

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, 2021	Six months ended September 30, 2022
Net sales	25,032,164	25,529,705
Cost of sales	17,237,705	18,430,967
Gross profit	7,794,459	7,098,738
Selling, general and administrative expenses	6,495,671	6,876,672
Operating profit	1,298,788	222,066
Non-operating income		
Interest income	12,981	29,976
Dividend income	23,262	36,761
Rental income from non-current assets	35,234	33,504
Share of profit of entities accounted for using equity method	10,071	13,568
Foreign exchange gains	—	12,206
Other	69,139	64,485
Total non-operating income	150,687	190,500
Non-operating expenses		
Interest expenses	24,569	28,902
Foreign exchange losses	40,666	—
Loss on retirement of non-current assets	2,436	16,644
Other	21,051	12,147
Total non-operating expenses	88,722	57,693
Ordinary profit	1,360,753	354,873
Profit before income taxes	1,360,753	354,873
Income taxes - current	392,247	179,143
Income taxes - deferred	(34,122)	(58,326)
Total income taxes	358,125	120,817
Profit	1,002,628	234,056
Profit attributable to non-controlling interests	88,498	100,559
Profit attributable to owners of parent	914,130	133,497

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,002,628	234,056
Other comprehensive income		
Valuation difference on available-for-sale securities	163,819	104,341
Foreign currency translation adjustment	847,640	2,257,301
Remeasurements of defined benefit plans, net of tax	114,909	(41,500)
Share of other comprehensive income of entities accounted for using equity method	(33,457)	(26,184)
Total other comprehensive income	1,092,911	2,293,958
Comprehensive income	2,095,539	2,528,014
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,932,298	2,203,057
Comprehensive income attributable to non-controlling interests	163,241	324,957

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,360,753	354,873
Depreciation	724,638	714,120
Increase (decrease) in retirement benefit liability	28,081	(81,836)
Increase (decrease) in provision for bonuses	62,013	11,537
Increase (decrease) in allowance for doubtful accounts	(22,587)	301
Interest and dividend income	(36,243)	(66,737)
Interest expenses	24,569	28,902
Decrease (increase) in trade receivables	2,757,933	(842,487)
Decrease (increase) in inventories	(837,801)	(759,943)
Decrease (increase) in other current assets	(124,043)	(73,663)
Increase (decrease) in trade payables	(2,474,162)	731,738
Increase (decrease) in other current liabilities	(25,730)	9,737
Other, net	20,457	(24,430)
Subtotal	1,457,878	2,112
Interest and dividends received	36,334	66,737
Interest paid	(24,362)	(25,679)
Income taxes paid	(310,287)	(343,885)
Income taxes refund	144,195	5,965
Net cash provided by (used in) operating activities	1,303,758	(294,750)
Cash flows from investing activities		
Payments into time deposits	(194,220)	(817,990)
Proceeds from withdrawal of time deposits	568,600	634,480
Purchase of property, plant and equipment	(856,398)	(614,606)
Purchase of intangible assets	(13,522)	(62,745)
Purchase of investment securities	(4,739)	(1,722)
Other, net	(51,114)	60,593
Net cash provided by (used in) investing activities	(551,393)	(801,990)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	167,208
Repayments of lease liabilities	(49,623)	(68,516)
Purchase of treasury shares	—	(255,735)
Dividends paid	(254,633)	(254,633)
Dividends paid to non-controlling interests	(89,246)	(120,335)
Net cash provided by (used in) financing activities	(393,502)	(532,011)
Effect of exchange rate change on cash and cash equivalents	216,412	555,359
Net increase (decrease) in cash and cash equivalents	575,275	(1,073,392)
Cash and cash equivalents at beginning of period	11,782,017	12,974,778
Cash and cash equivalents at end of period	12,357,292	11,901,386