

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 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 Deputy General
 Inquiries: Manager of Administrative Headquarters Toyohiro Tsuchiya TEL 03-3436-1101
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	26,271	2.9	513	130.9	766	115.8	374	180.3
Six months ended September 30, 2022	25,530	2.0	222	(82.9)	355	(73.9)	133	(85.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	12.14	—
Six months ended September 30, 2022	4.22	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	57,800	41,566	66.5
As of March 31, 2023	54,908	39,598	66.8

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, 2023	—	8.00	—	8.00	16.00
Year ending March 31, 2024	—	8.00			
Year ending March 31, 2024 (Forecast)			—	8.00	16.00

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
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 six months ended September 30, 2023
(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, 2023	32,716,878 shares	As of March 31, 2023	32,716,878 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,887,714 shares	As of March 31, 2023	1,887,714 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, 2023	30,829,164 shares	Six months ended September 30, 2022	31,623,807 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	12,212,104	12,668,884
Notes receivable - trade	944,375	1,229,157
Accounts receivable - trade	8,960,375	10,581,015
Merchandise and finished goods	4,737,535	4,653,334
Work in process	94,007	105,231
Raw materials and supplies	3,606,475	3,369,550
Other	1,038,075	1,204,683
Allowance for doubtful accounts	(166,924)	(169,123)
Total current assets	31,426,022	33,642,731
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,783,855	14,427,841
Accumulated depreciation	(7,981,122)	(8,322,027)
Buildings and structures, net	5,802,733	6,105,814
Machinery, equipment and vehicles	16,273,403	17,160,467
Accumulated depreciation	(13,566,547)	(14,293,766)
Machinery, equipment and vehicles, net	2,706,856	2,866,701
Tools, furniture and fixtures	5,398,735	5,595,847
Accumulated depreciation	(4,684,511)	(4,865,575)
Tools, furniture and fixtures, net	714,224	730,272
Land	4,624,739	4,715,086
Leased assets	1,129,669	1,122,063
Accumulated depreciation	(439,556)	(423,988)
Leased assets, net	690,113	698,075
Construction in progress	751,258	622,884
Total property, plant and equipment	15,289,923	15,738,832
Intangible assets		
Software	264,404	396,144
Other	931,074	1,010,297
Total intangible assets	1,195,478	1,406,441
Investments and other assets		
Investment securities	3,566,679	3,720,479
Long-term loans receivable	184,707	134,305
Deferred tax assets	460,316	364,281
Other	2,922,865	2,931,226
Allowance for doubtful accounts	(138,323)	(138,323)
Total investments and other assets	6,996,244	7,011,968
Total non-current assets	23,481,645	24,157,241
Total assets	54,907,667	57,799,972

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,527,803	6,084,843
Short-term borrowings	3,067,154	3,352,428
Lease liabilities	165,991	174,705
Income taxes payable	91,122	138,044
Accrued expenses	1,168,364	1,287,878
Provision for bonuses	612,076	603,593
Other	1,281,919	1,192,217
Total current liabilities	11,914,429	12,833,708
Non-current liabilities		
Lease liabilities	398,364	387,743
Deferred tax liabilities	66,025	73,357
Retirement benefit liability	2,453,323	2,562,062
Long-term accounts payable - other	108,938	9,129
Other	368,303	368,313
Total non-current liabilities	3,394,953	3,400,604
Total liabilities	15,309,382	16,234,312
Net assets		
Shareholders' equity		
Share capital	5,352,121	5,352,121
Capital surplus	5,040,199	5,040,199
Retained earnings	23,764,100	23,891,657
Treasury shares	(968,361)	(968,361)
Total shareholders' equity	33,188,059	33,315,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	833,452	961,253
Foreign currency translation adjustment	2,713,802	4,314,576
Remeasurements of defined benefit plans	(75,308)	(144,828)
Total accumulated other comprehensive income	3,471,946	5,131,001
Non-controlling interests	2,938,280	3,119,043
Total net assets	39,598,285	41,565,660
Total liabilities and net assets	54,907,667	57,799,972

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, 2022	Six months ended September 30, 2023
Net sales	25,529,705	26,270,612
Cost of sales	18,430,967	18,676,019
Gross profit	7,098,738	7,594,593
Selling, general and administrative expenses	6,876,672	7,081,841
Operating profit	222,066	512,752
Non-operating income		
Interest income	29,976	48,500
Dividend income	36,761	44,003
Rental income from non-current assets	33,504	33,076
Share of profit of entities accounted for using equity method	13,568	15,938
Gain on sale of investment securities	—	186,142
Foreign exchange gains	12,206	—
Other	64,485	58,074
Total non-operating income	190,500	385,733
Non-operating expenses		
Interest expenses	28,902	61,804
Foreign exchange losses	—	61,997
Loss on retirement of non-current assets	16,644	625
Other	12,147	8,278
Total non-operating expenses	57,693	132,704
Ordinary profit	354,873	765,781
Profit before income taxes	354,873	765,781
Income taxes - current	179,143	177,152
Income taxes - deferred	(58,326)	48,084
Total income taxes	120,817	225,236
Profit	234,056	540,545
Profit attributable to non-controlling interests	100,559	166,355
Profit attributable to owners of parent	133,497	374,190

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	234,056	540,545
Other comprehensive income		
Valuation difference on available-for-sale securities	104,341	129,335
Foreign currency translation adjustment	2,257,301	1,696,200
Remeasurements of defined benefit plans, net of tax	(41,500)	(69,520)
Share of other comprehensive income of entities accounted for using equity method	(26,184)	10,527
Total other comprehensive income	2,293,958	1,766,542
Comprehensive income	2,528,014	2,307,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,203,057	2,033,245
Comprehensive income attributable to non-controlling interests	324,957	273,842

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	354,873	765,781
Depreciation	714,120	755,085
Increase (decrease) in retirement benefit liability	(81,836)	17,454
Increase (decrease) in provision for bonuses	11,537	(12,929)
Increase (decrease) in allowance for doubtful accounts	301	(9,188)
Interest and dividend income	(66,737)	(92,503)
Interest expenses	28,902	61,804
Decrease (increase) in trade receivables	(842,487)	(1,490,850)
Decrease (increase) in inventories	(759,943)	749,264
Decrease (increase) in other current assets	(73,663)	(161,788)
Increase (decrease) in trade payables	731,738	342,663
Increase (decrease) in other current liabilities	9,737	115,977
Other, net	(24,430)	240,257
Subtotal	2,112	1,281,027
Interest and dividends received	66,737	98,615
Interest paid	(25,679)	(53,900)
Income taxes paid	(343,885)	(252,007)
Income taxes refund	5,965	119,852
Net cash provided by (used in) operating activities	(294,750)	1,193,587
Cash flows from investing activities		
Payments into time deposits	(817,990)	(264,625)
Proceeds from withdrawal of time deposits	634,480	200,110
Purchase of property, plant and equipment	(614,606)	(800,754)
Purchase of intangible assets	(62,745)	(164,701)
Purchase of investment securities	(1,722)	(1,603)
Other, net	60,593	370,478
Net cash provided by (used in) investing activities	(801,990)	(661,095)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	167,208	6,469
Repayments of lease liabilities	(68,516)	(89,443)
Purchase of treasury shares	(255,735)	—
Dividends paid	(254,633)	(246,633)
Dividends paid to non-controlling interests	(120,335)	(171,875)
Net cash provided by (used in) financing activities	(532,011)	(501,482)
Effect of exchange rate change on cash and cash equivalents	555,359	347,019
Net increase (decrease) in cash and cash equivalents	(1,073,392)	378,029
Cash and cash equivalents at beginning of period	12,974,778	11,989,680
Cash and cash equivalents at end of period	11,901,386	12,367,709