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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 11, 2023

Company name: FUJIKURA COMPOSITES Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 5121
 URL: <https://www.fujikuracomposites.jp/>
 Representative: Kenji Morita, Representative Director and President
 Contact: Hidetaka Takahashi, Managing Director, Vice President of Administration Division
 Phone: +81-3-3527-8111
 Scheduled date of general shareholders' meeting: June 29, 2023
 Scheduled date of commencing dividend payments: June 30, 2023
 Scheduled date of filing securities report: June 29, 2023
 Availability of supplementary explanatory materials on annual financial results: Not available
 Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	40,687	9.4	4,432	6.5	5,144	7.7	3,947	(2.8)
March 31, 2022	37,190	27.0	4,160	255.0	4,778	206.8	4,062	243.5

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥4,752 million [(7.2)%]
 Fiscal year ended March 31, 2022: ¥5,096 million [296.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	181.05	—	11.8	12.7	10.9
March 31, 2022	180.58	—	14.8	12.7	11.2

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2023: ¥— million
 Fiscal year ended March 31, 2022: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	40,374	33,342	82.6	1,439.99
March 31, 2022	37,750	27,473	72.8	1,304.24

(Reference) Equity: As of March 31, 2023: ¥33,339 million
 As of March 31, 2022: ¥27,464 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	2,442	(857)	(1,731)	7,228
March 31, 2022	4,795	(418)	(3,772)	6,905

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	–	10.00	–	16.00	26.00	570	14.1	2.1
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00	906	23.0	2.7
Fiscal year ending March 31, 2024 (Forecast)	–	20.00	–	20.00	40.00			

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,800	(7.3)	1,900	(12.5)	2,000	(28.6)	1,700	(19.1)	73.43
Full year	39,900	(1.9)	4,100	(7.5)	4,200	(18.4)	3,400	(13.9)	146.85

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: Yes
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatement: None
 (Note) For details, please see “Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on pages 12 of the attachments.
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the year (including treasury shares):
 March 31, 2023: 23,446,209 shares
 March 31, 2022: 23,446,209 shares
- 2) Total number of treasury shares at the end of the year:
 March 31, 2023: 293,790 shares
 March 31, 2022: 2,388,768 shares
- 3) Average number of shares outstanding during the year:
 Year ended March 31, 2023: 21,806,351 shares
 Year ended March 31, 2022: 22,499,431 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	24,786	5.6	1,226	(26.0)	4,239	55.8	3,654	72.2
March 31, 2022	23,476	16.8	1,657	185.1	2,721	105.8	2,121	70.2

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	167.57	—
March 31, 2022	94.29	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	31,685	25,693	81.1	1,109.64
As of March 31, 2022	29,588	20,877	70.5	991.05

(Reference) Equity: As of March 31, 2023: ¥25,690 million

As of March 31, 2022: ¥20,868 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not in any way guarantee the achievement of the projections. In addition, actual results may differ significantly from these forecasts due to various factors.

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,905,294	7,228,636
Notes and accounts receivable - trade	10,710,980	10,866,033
Merchandise and finished goods	2,223,842	3,528,920
Work in process	2,613,550	3,020,149
Raw materials and supplies	836,011	1,095,114
Other	512,947	532,783
Allowance for doubtful accounts	(66,816)	(87,518)
Total current assets	23,735,810	26,184,118
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,575,474	13,092,409
Accumulated depreciation	(7,819,813)	(8,521,156)
Buildings and structures, net	4,755,661	4,571,252
Machinery, equipment and vehicles	17,959,799	18,527,543
Accumulated depreciation	(14,863,218)	(15,574,516)
Machinery, equipment and vehicles, net	3,096,580	2,953,027
Land	3,200,630	3,055,961
Construction in progress	206,684	140,299
Other	4,418,209	4,854,943
Accumulated depreciation	(3,869,276)	(3,959,062)
Other, net	548,933	895,881
Total property, plant and equipment	11,808,489	11,616,422
Intangible assets		
Software	74,696	84,798
Other	26,234	25,058
Total intangible assets	100,931	109,857
Investments and other assets		
Investment securities	1,217,944	1,451,047
Long-term loans receivable	297,686	247,900
Retirement benefit asset	180,881	302,151
Deferred tax assets	14,115	57,981
Other	1,794,992	1,886,407
Allowance for doubtful accounts	(1,399,993)	(1,481,734)
Total investments and other assets	2,105,627	2,463,753
Total non-current assets	14,015,048	14,190,033
Total assets	37,750,859	40,374,152

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,805,854	2,648,771
Short-term borrowings	2,759,004	82,964
Income taxes payable	591,426	148,649
Provision for bonuses	545,471	567,300
Provision for loss on disaster	69,528	–
Provision for loss on business withdrawal	–	107,000
Other	1,865,072	1,644,817
Total current liabilities	8,636,357	5,199,503
Non-current liabilities		
Long-term borrowings	85,870	3,810
Lease liabilities	28,083	427,536
Deferred tax liabilities	509,521	371,620
Provision for environmental measures	27,780	12,233
Retirement benefit liability	770,414	771,185
Asset retirement obligations	164,953	191,438
Other	54,790	54,790
Total non-current liabilities	1,641,414	1,832,613
Total liabilities	10,277,772	7,032,117
Net assets		
Shareholders' equity		
Share capital	3,804,298	3,804,298
Capital surplus	3,212,485	3,297,314
Retained earnings	21,341,327	24,508,444
Treasury shares	(2,074,304)	(255,321)
Total shareholders' equity	26,283,806	31,354,736
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	317,556	362,469
Foreign currency translation adjustment	837,185	1,548,040
Remeasurements of defined benefit plans	25,508	74,064
Total accumulated other comprehensive income	1,180,250	1,984,575
Share acquisition rights	9,030	2,724
Total net assets	27,473,087	33,342,035
Total liabilities and net assets	37,750,859	40,374,152

(2) Consolidated Statements of Income and Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	37,190,751	40,687,388
Cost of sales	26,902,255	29,510,167
Gross profit	10,288,496	11,177,221
Selling, general and administrative expenses		
Shipping cost	651,399	653,180
Salaries and allowances	2,231,664	2,468,660
Welfare expenses	557,776	572,185
Travel and communication expenses	134,918	208,044
Depreciation	223,019	179,613
Storage cost	252,784	273,646
Research and development expenses	386,827	459,536
Provision of allowance for doubtful accounts	8,703	18,869
Other	1,680,816	1,911,283
Total selling, general and administrative expenses	6,127,912	6,745,020
Operating profit	4,160,584	4,432,200
Non-operating income		
Interest income	32,761	20,144
Dividend income	70,384	58,482
Foreign exchange gains	382,825	585,483
Rental income	65,594	68,363
Subsidy income	18,471	19,866
Other	136,056	65,688
Total non-operating income	706,092	818,029
Non-operating expenses		
Interest expenses	10,794	20,759
Rental costs	31,945	41,978
Loss on abandonment of non-current assets	18,943	3,591
Loss on retirement of non-current assets	8,759	20,755
Other	17,419	18,623
Total non-operating expenses	87,861	105,709
Ordinary profit	4,778,815	5,144,521
Extraordinary income		
Gain on reversal of liabilities	452,221	–
Gain on sale of non-current assets	–	148,020
Reversal of provision for loss on disaster	–	3,002
Total extraordinary income	452,221	151,022
Extraordinary losses		
Impairment losses	–	202,728
Loss on disaster	69,528	–
Provision for loss on business withdrawal	–	107,000
Total extraordinary losses	69,528	309,728
Profit before income taxes	5,161,508	4,985,815
Income taxes - current	1,061,476	1,276,036
Income taxes - deferred	37,101	(238,194)
Total income taxes	1,098,578	1,037,842
Profit	4,062,930	3,947,972
Profit attributable to		
Profit attributable to owners of parent	4,062,930	3,947,972

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Other comprehensive income		
Valuation difference on available-for-sale securities	577	44,913
Foreign currency translation adjustment	919,749	710,855
Remeasurements of defined benefit plans, net of tax	112,890	48,555
Total other comprehensive income	1,033,217	804,324
Comprehensive income	5,096,147	4,752,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,096,147	4,752,297

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,804,298	3,212,485	17,676,139	(20,473)	24,672,450
Changes during period					
Dividends of surplus			(397,742)		(397,742)
Profit attributable to owners of parent			4,062,930		4,062,930
Purchase of treasury shares				(2,053,831)	(2,053,831)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,665,187	(2,053,831)	1,611,356
Balance at end of period	3,804,298	3,212,485	21,341,327	(2,074,304)	26,283,806

	Accumulated other comprehensive income				Share acquisition rights	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	316,979	(82,564)	(87,381)	147,033	—	24,819,483
Changes during period						
Dividends of surplus						(397,742)
Profit attributable to owners of parent						4,062,930
Purchase of treasury shares						(2,053,831)
Disposal of treasury shares						
Net changes in items other than shareholders' equity	577	919,749	112,890	1,033,217	9,030	1,042,247
Total changes during period	577	919,749	112,890	1,033,217	9,030	2,653,603
Balance at end of period	317,556	837,185	25,508	1,180,250	9,030	27,473,087

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,804,298	3,212,485	21,341,327	(2,074,304)	26,283,806
Changes during period					
Dividends of surplus			(780,855)		(780,855)
Profit attributable to owners of parent			3,947,972		3,947,972
Purchase of treasury shares				(19)	(19)
Disposal of treasury shares		84,829		1,819,002	1,903,831
Net changes in items other than shareholders' equity					
Total changes during period	–	84,829	3,167,116	1,818,983	5,070,929
Balance at end of period	3,804,298	3,297,314	24,508,444	(255,321)	31,354,736

	Accumulated other comprehensive income				Share acquisition rights	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	317,556	837,185	25,508	1,180,250	9,030	27,473,087
Changes during period						
Dividends of surplus						(780,855)
Profit attributable to owners of parent						3,947,972
Purchase of treasury shares						(19)
Disposal of treasury shares						1,903,831
Net changes in items other than shareholders' equity	44,913	710,855	48,555	804,324	(6,305)	798,018
Total changes during period	44,913	710,855	48,555	804,324	(6,305)	5,868,948
Balance at end of period	362,469	1,548,040	74,064	1,984,575	2,724	33,342,035

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,161,508	4,985,815
Depreciation	1,518,849	1,506,903
Impairment losses	–	202,728
Increase (decrease) in allowance for doubtful accounts	(8,146)	15,305
Increase (decrease) in provision for bonuses	182,068	19,542
Increase (decrease) in provision for loss on disaster	69,528	(69,528)
Increase (decrease) in provision for loss on business withdrawal	–	107,000
Increase (decrease) in retirement benefit liability	290,154	67,983
Decrease (increase) in retirement benefit asset	(162,932)	(121,269)
Interest and dividend income	(103,145)	(78,627)
Interest expenses	10,794	20,759
Foreign exchange losses (gains)	(334,800)	(344,206)
Loss on retirement of non-current assets	8,759	20,755
Loss (gain) on sale of non-current assets	–	(148,020)
Decrease (increase) in trade receivables	(578,372)	179,506
Decrease (increase) in inventories	(776,940)	(1,743,751)
Decrease (increase) in other current assets	43,805	(8,857)
Increase (decrease) in trade payables	535,789	(366,582)
Increase (decrease) in other current liabilities	(495,065)	(149,989)
Other, net	63,490	(111)
Subtotal	5,425,344	4,095,355
Interest and dividends received	102,987	78,812
Interest paid	(10,794)	(20,759)
Income taxes paid	(721,977)	(1,710,450)
Net cash provided by (used in) operating activities	4,795,560	2,442,958
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	487	300,377
Purchase of property, plant and equipment	(280,858)	(1,014,462)
Purchase of intangible assets	(15,391)	(39,713)
Purchase of investment securities	(140)	(183)
Purchase of shares of subsidiaries and associates	–	(178,633)
Other investments expenditure	(174,976)	(278)
Other investments revenue	633	10,368
Proceeds from collection of loans receivable	51,270	65,280
Net cash provided by (used in) investing activities	(418,976)	(857,245)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(463,234)	(2,342,924)
Proceeds from long-term borrowings	9,686	–
Repayments of long-term borrowings	(856,247)	(482,964)
Proceeds from issuance of share acquisition rights	9,030	–
Proceeds from sale of treasury shares	–	1,897,525
Purchase of treasury shares	(2,053,831)	(19)
Dividends paid	(396,797)	(779,376)
Repayments of lease liabilities	(21,094)	(24,160)
Net cash provided by (used in) financing activities	(3,772,489)	(1,731,918)
Effect of exchange rate change on cash and cash equivalents	521,047	469,548
Net increase (decrease) in cash and cash equivalents	1,125,142	323,342
Cash and cash equivalents at beginning of period	5,780,151	6,905,294
Cash and cash equivalents at end of period	6,905,294	7,228,636