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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 10, 2024

Company name: FUJIKURA COMPOSITES Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5121

URL: <https://www.fujikuracomposites.jp/>

Representative: Kenji Morita, Representative Director, President and Chief Executive Officer

Contact: Hidetaka Takahashi, Director, Managing Executive Officer

Phone: +81-3-3527-8111

Scheduled date of general shareholders' meeting: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing securities report: June 27, 2024

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, 2024 (April 1, 2023 - March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	37,785	(7.1)	3,624	(18.2)	3,898	(24.2)	3,252	(17.6)
March 31, 2023	40,687	9.4	4,432	6.5	5,144	7.7	3,947	(2.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥4,433 million [(6.7)%]

Fiscal year ended March 31, 2023: ¥4,752 million [(7.2)%]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	140.48	—	8.9	8.8	9.6
March 31, 2023	181.05	—	11.8	12.7	10.9

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2024: ¥— million

Fiscal year ended March 31, 2023: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	44,075	36,499	82.8	1,576.47
As of March 31, 2023	40,374	33,342	82.6	1,439.99

(Reference) Equity: As of March 31, 2024: ¥36,499 million

As of March 31, 2023: ¥33,339 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	5,271	(1,057)	(1,378)	10,228
March 31, 2023	2,442	(857)	(1,731)	7,228

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, 2023	–	20.00	–	20.00	40.00	906	23.0	2.7
Fiscal year ended March 31, 2024	–	35.00	–	35.00	70.00	1,630	50.1	4.5
Fiscal year ending March 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		44.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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	19,000	(1.9)	1,600	(27.9)	1,900	(22.7)	1,400	(37.6)	60.47
Full year	39,200	3.7	3,900	7.6	4,300	10.3	3,200	(1.6)	138.21

* 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: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
 - (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, 2024:	23,446,209 shares
March 31, 2023:	23,446,209 shares
 - 2) Total number of treasury shares at the end of the year:

March 31, 2024:	293,836 shares
March 31, 2023:	293,790 shares
 - 3) Average number of shares outstanding during the year:

Year ended March 31, 2024:	23,152,381 shares
Year ended March 31, 2023:	21,806,351 shares
- (Note) The number of the Company's shares held by The Master Trust Bank of Japan (Trust Account) as the trust property of the ESOP trust for stock grant is included in the number of treasury shares, which is to be deducted from the number of common shares issued at the end of the year for the purpose of calculating net assets per share and from the average number of shares outstanding during the year for the purpose of calculating earnings per share.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)**

(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, 2024	23,138	(6.6)	477	(61.1)	2,708	(36.1)	2,740	(25.0)
March 31, 2023	24,786	5.6	1,226	(26.0)	4,239	55.8	3,654	72.2

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	118.37	—
March 31, 2023	167.57	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	34,411	27,536	80.0	1,189.38
As of March 31, 2023	31,685	25,693	81.1	1,109.64

(Reference) Equity: As of March 31, 2024: ¥27,536 million

As of March 31, 2023: ¥25,690 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	7,228,636	10,228,991
Notes and accounts receivable - trade	10,866,033	10,166,876
Merchandise and finished goods	3,528,920	3,957,106
Work in process	3,020,149	2,675,597
Raw materials and supplies	1,095,114	911,766
Other	532,783	624,374
Allowance for doubtful accounts	(87,518)	(49,292)
Total current assets	26,184,118	28,515,419
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,092,409	13,489,951
Accumulated depreciation	(8,521,156)	(9,107,927)
Buildings and structures, net	4,571,252	4,382,023
Machinery, equipment and vehicles	18,527,543	17,154,430
Accumulated depreciation	(15,574,516)	(14,368,012)
Machinery, equipment and vehicles, net	2,953,027	2,786,417
Land	3,055,961	3,059,728
Construction in progress	140,299	879,826
Other	4,854,943	4,812,025
Accumulated depreciation	(3,959,062)	(3,967,748)
Other, net	895,881	844,277
Total property, plant and equipment	11,616,422	11,952,273
Intangible assets		
Software	84,798	90,652
Other	25,058	80,728
Total intangible assets	109,857	171,380
Investments and other assets		
Investment securities	1,451,047	1,889,348
Long-term loans receivable	247,900	235,900
Retirement benefit asset	302,151	672,026
Deferred tax assets	57,981	72,160
Other	1,886,407	2,112,406
Allowance for doubtful accounts	(1,481,734)	(1,545,030)
Total investments and other assets	2,463,753	3,436,810
Total non-current assets	14,190,033	15,560,464
Total assets	40,374,152	44,075,883

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,648,771	2,320,510
Short-term borrowings	82,964	–
Income taxes payable	148,649	8,191
Provision for bonuses	567,300	548,099
Provision for loss on business withdrawal	107,000	166,262
Asset retirement obligations	–	60,000
Other	1,644,817	2,279,489
Total current liabilities	5,199,503	5,382,553
Non-current liabilities		
Long-term borrowings	3,810	–
Lease liabilities	427,536	435,469
Deferred tax liabilities	371,620	716,775
Provision for environmental measures	12,233	9,734
Retirement benefit liability	771,185	765,917
Asset retirement obligations	191,438	207,878
Other	54,790	58,495
Total non-current liabilities	1,832,613	2,194,270
Total liabilities	7,032,117	7,576,824
Net assets		
Shareholders' equity		
Share capital	3,804,298	3,804,298
Capital surplus	3,297,314	3,455,379
Retained earnings	24,508,444	26,487,403
Treasury shares	(255,321)	(413,427)
Total shareholders' equity	31,354,736	33,333,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	362,469	741,242
Foreign currency translation adjustment	1,548,040	2,093,327
Remeasurements of defined benefit plans	74,064	330,835
Total accumulated other comprehensive income	1,984,575	3,165,404
Share acquisition rights	2,724	–
Total net assets	33,342,035	36,499,059
Total liabilities and net assets	40,374,152	44,075,883

(2) Consolidated Statements of Income and Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	40,687,388	37,785,116
Cost of sales	29,510,167	26,984,686
Gross profit	11,177,221	10,800,430
Selling, general and administrative expenses		
Shipping cost	653,180	575,034
Advertising expenses	572,105	792,968
Salaries and allowances	2,468,660	2,609,224
Welfare expenses	572,185	581,881
Travel and communication expenses	208,044	249,686
Depreciation	179,613	163,345
Storage cost	273,646	286,132
Research and development expenses	459,536	438,803
Provision of allowance for doubtful accounts	18,869	3,458
Other	1,339,177	1,475,330
Total selling, general and administrative expenses	6,745,020	7,175,864
Operating profit	4,432,200	3,624,565
Non-operating income		
Interest income	20,144	49,085
Dividend income	58,482	57,138
Foreign exchange gains	585,483	83,178
Rental income	68,363	48,639
Other	85,554	116,559
Total non-operating income	818,029	354,601
Non-operating expenses		
Interest expenses	20,759	2,054
Rental costs	41,978	35,754
Loss on retirement of non-current assets	20,755	3,327
Factory relocation expenses	–	19,417
Other	22,214	20,253
Total non-operating expenses	105,709	80,806
Ordinary profit	5,144,521	3,898,360
Extraordinary income		
Gain on sale of non-current assets	148,020	–
Subsidy income	–	592,129
Reversal of provision for loss on disaster	3,002	–
Total extraordinary income	151,022	592,129
Extraordinary losses		
Impairment losses	202,728	–
Provision for loss on business withdrawal	107,000	91,384
Loss on withdrawal of business	–	93,975
Loss on valuation of shares of subsidiaries and associates	–	71,721
Total extraordinary losses	309,728	257,081
Profit before income taxes	4,985,815	4,233,408
Income taxes - current	1,276,036	898,899
Income taxes - deferred	(238,194)	82,169
Total income taxes	1,037,842	981,068
Profit	3,947,972	3,252,339
Profit attributable to		
Profit attributable to owners of parent	3,947,972	3,252,339

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Other comprehensive income		
Valuation difference on available-for-sale securities	44,913	378,772
Foreign currency translation adjustment	710,855	545,286
Remeasurements of defined benefit plans, net of tax	48,555	256,770
Total other comprehensive income	804,324	1,180,829
Comprehensive income	4,752,297	4,433,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,752,297	4,433,169

(3) Consolidated Statements of Changes in Equity

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

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,804,298	3,297,314	24,508,444	(255,321)	31,354,736
Changes during period					
Dividends of surplus			(1,273,381)		(1,273,381)
Profit attributable to owners of parent			3,252,339		3,252,339
Purchase of treasury shares				(413,467)	(413,467)
Disposal of treasury shares		158,065		255,362	413,427
Net changes in items other than shareholders' equity					
Total changes during period	-	158,065	1,978,958	(158,105)	1,978,917
Balance at end of period	3,804,298	3,455,379	26,487,403	(413,427)	33,333,654

	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	362,469	1,548,040	74,064	1,984,575	2,724	33,342,035
Changes during period						
Dividends of surplus						(1,273,381)
Profit attributable to owners of parent						3,252,339
Purchase of treasury shares						(413,467)
Disposal of treasury shares						413,427
Net changes in items other than shareholders' equity	378,772	545,286	256,770	1,180,829	(2,724)	1,178,105
Total changes during period	378,772	545,286	256,770	1,180,829	(2,724)	3,157,023
Balance at end of period	741,242	2,093,327	330,835	3,165,404	-	36,499,059

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,985,815	4,233,408
Depreciation	1,506,903	1,426,868
Impairment losses	202,728	–
Loss on valuation of shares of subsidiaries and associates	–	71,721
Increase (decrease) in allowance for doubtful accounts	15,305	(42,175)
Increase (decrease) in provision for bonuses	19,542	(20,257)
Increase (decrease) in provision for loss on disaster	(69,528)	–
Increase (decrease) in provision for loss on business withdrawal	107,000	91,384
Increase (decrease) in retirement benefit liability	67,983	362,523
Decrease (increase) in retirement benefit asset	(121,269)	(369,875)
Interest and dividend income	(78,627)	(106,223)
Interest expenses	20,759	2,054
Subsidy income	–	(592,129)
Foreign exchange losses (gains)	(344,206)	(36,462)
Loss on retirement of non-current assets	20,755	3,327
Loss (gain) on sale of non-current assets	(148,020)	–
Decrease (increase) in trade receivables	179,506	893,184
Decrease (increase) in inventories	(1,743,751)	256,086
Decrease (increase) in other current assets	(8,857)	(127,651)
Increase (decrease) in trade payables	(366,582)	(433,025)
Increase (decrease) in other current liabilities	(149,989)	16,874
Other, net	(111)	(29,491)
Subtotal	4,095,355	5,600,137
Interest and dividends received	78,812	106,213
Interest paid	(20,759)	(2,054)
Income taxes paid	(1,710,450)	(1,024,672)
Subsidies received	–	592,129
Net cash provided by (used in) operating activities	2,442,958	5,271,753
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	300,377	–
Purchase of property, plant and equipment	(1,014,462)	(859,954)
Purchase of intangible assets	(39,713)	(92,817)
Purchase of investment securities	(183)	(216)
Purchase of shares of subsidiaries and associates	(178,633)	–
Other investments expenditure	(278)	(161,024)
Other investments revenue	10,368	3,599
Proceeds from collection of loans receivable	65,280	65,180
Loan advances	–	(12,000)
Net cash provided by (used in) investing activities	(857,245)	(1,057,233)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,342,924)	–
Repayments of long-term borrowings	(482,964)	(87,036)
Proceeds from sale of treasury shares	1,897,525	413,427
Purchase of treasury shares	(19)	(413,467)
Dividends paid	(779,376)	(1,272,573)
Purchase of issuance of share acquisition rights	–	(2,724)
Repayments of lease liabilities	(24,160)	(16,446)
Net cash provided by (used in) financing activities	(1,731,918)	(1,378,821)
Effect of exchange rate change on cash and cash equivalents	469,548	164,655
Net increase (decrease) in cash and cash equivalents	323,342	3,000,354
Cash and cash equivalents at beginning of period	6,905,294	7,228,636
Cash and cash equivalents at end of period	7,228,636	10,228,991