

Financial Results for the Year Ended January 31, 2025

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.**
 Code Number: 6654
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Date of the board meeting for this period: March 11, 2025

Date of the general meeting of shareholders: April 24, 2025

1. Results of fiscal year 2025 (February 1, 2024 through January 31, 2025)

(1) Operating Results

(Unit: Millions of Yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2025	3,927	5.5	302	(24.4)	346	(18.5)
FY 2024	3,723	0.4	399	13.9	425	13.7

	Net income		Net income per share		Return on equity	Ratio of Ordinary income to Total assets	Ratio of Operating income to Net sales
			-basic	-diluted			
	Millions of yen	%	Yen	Yen	%	%	%
FY 2025	240	(31.3)	43.94	43.88	2.3	3.1	7.7
FY 2024	349	33.3	63.05	62.95	3.4	3.8	10.7

Note 1: Percentages for net sales, operating income etc. show increase (decrease) from the previous year.

Note 2: Equity in earnings of affiliates: No

(2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2025	11,208	10,373	92.5	1,935.09
FY 2024	11,279	10,446	92.5	1,880.31

Note: Equity capital

FY 2025

10,364 million yen

FY 2024

10,438 million yen

(3) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2025	423	(360)	(417)	980
FY 2024	446	(103)	(178)	1,335

2.Dividends

	Dividends per share			Total dividends	Payout ratio	Dividends to shareholders' equity ratio
	Interim	Year-end	Annual			
	Yen	Yen	Yen	Millions of yen	%	%
FY 2024	16.00	19.00	35.00	194	55.5	1.9
FY 2025	16.00	16.00	32.00	174	72.8	1.7
FY 2026 (forecast)	16.00	16.00	32.00	—	82.9	—

Note: We returned a commemorative dividend of 3 yen as the year-end dividend for fiscal 2024.

3.Forecast of operating results for Fiscal Year 2026(February 1, 2025 through January 31, 2026)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim	1,872	(6.0)	113	(48.4)	128	(46.0)
FY 2026	3,840	(2.2)	267	(11.5)	297	(14.2)

	Net income		Net income per share
	Millions of yen	%	Yen
Interim	89	(44.2)	16.62
FY 2026	206	(14.0)	38.60

Note 1: Percentages for net sales, operating income etc. for the FY 2026 show increase (decrease) from the previous year.

2: Revision of operating results forecast for this period : No

4.Others

(1) Changes in the accounting policy : No

(2) Changes except (1) : No

(3) About number of shares

Number of shares issued	:	FY 2025	6,469,000	FY 2024	6,669,000
Treasury stock at end of each period	:	FY 2025	1,112,830	FY 2024	1,117,630
Average number of shares	:	FY 2025	5,472,833	FY 2024	5,550,297

※ Note with respect to “Forecast of operating results for Fiscal Year 2026”

Forecasts announced by the company referred to above be prepared based on management’s assumptions with information available at this time and therefore involve known and unknown risks and uncertainties.

Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts (earnings forecast, dividend forecast, and other forecasts).

Business performance and Financial circumstances

1. Analysis of operating results

(1) General situation

During the fiscal year ending January 31, 2025, Japan's economy continued to recovering at a moderate pace with improvements in corporate earnings and production activities, although the recovery of consumer spending was pausing.

With regard to business prospects going forward, the future of the economy is expected to maintain a gradual recovery trend with improvement in labor and income conditions, but it remains uncertain including concerns about continuous domestic price increases, overseas geopolitical risks and persistently high interest rates.

Under these circumstances, We focused our sales activity on the domestic market of electric power, public facilities, general industries, electric railway and overseas market of Asia and the Middle East. As a result of this performance, although the sales of Telephone relay and Test terminal block decreased, the sales of and Terminal blocks and I/O terminal increased.

The cumulative sales amount of this fiscal year was 3,927 million yen (increased by 5.5% compared with the previous year).

Regarding the cumulative profit, the net sales exceeded last year's, manufacturing costs and selling, general and administrative expenses increased, the operating income was 302 million yen (decreased by 24.4% compared with the previous year), the ordinary income was 346 million yen (decreased by 18.5% compared with the previous year), the net income was 240 million yen (decreased by 31.3% compared with the previous year) due to absence of 104 million yen gain on sale of investment securities recorded in the previous year.

(2) Operating results by segment

Control switches

Auxiliary switch and Switches for railway vehicles were selling well, the sales amount was 1,027 million yen (increased by 11.7% compared with the previous year).

Connecting devices

The sales of Large current busbar connector and Test terminal block decreased. However, the sales of Terminal blocks and Connector terminal block increased. The sales amount was 1,609 million yen (increased by 5.0% compared with the previous year).

Pilot lamps and Indicators

The sales of Indicators and Indicator for railway vehicles were in good shape, the sales amount was 501 million yen (increased by 14.8% compared with the previous year).

Electronic devices

Although the sales of I/O terminal increased, the sales of Telephone relay decreased. The sales amount was 709 million yen (decreased by 2.0% compared with the previous year).

Third party sales

Despite withdrawal from Smart-Solution business (Purchase and Sales business), orders acquired before withdrawal were recorded as sales, the sales amount was 70 million yen (decreased by 31.1% compared with the previous year).

Others

The sales amount except for Electric control devices was 8 million yen (increased by 9.6% compared with the previous year).

2. Forecast for the fiscal year ending January 31, 2026

The economic outlook for the next financial year, it will remain uncertain including concerns about continuous domestic price increases, rises in personnel expenses because of wage increases, and overseas geopolitical risks and persistently high interest rates.

The heavy electrical machinery market, our main business environment, is changing drastically and rapidly because the development of cross-regional interconnected grid is in progress for constructing next-generation power network centered on digitalization of system, utilizing renewable energy, and strengthening power grid resilience.

We will continue to increase our sales through cultivating “the heavy electrical equipment market”, “the railway rolling stock market”, and “overseas markets”. And we will further promote products development suited to user needs including digitalization and manpower-saving and labor-saving.

The prospects of our business performances of next financial year are as follows.

The net sales is 3,840 million yen (decreased by 2.2% compared with the previous year).

Regarding the profit, soaring material prices associated with domestic increasing prices, increases in depreciation for mold investment, and rises in personnel expenses because of investment in human capital, the operating income is 267 million yen (decreased by 11.5% compared with the previous year), the ordinary income is 297 million yen (decreased by 14.2% compared with the previous year), and the net income is 206 million yen (decreased by 14.0% compared with the previous year).

Financial statements
1. Balance Sheets

Thousands of Yen

	As of January 31, 2024		As of January 31, 2025	
	Amount	%	Amount	%
(Assets)				
I Current assets				
1.Cash and deposits	4,635,420		3,780,363	
2.Notes and accounts receivable-trade	1,141,675		1,209,950	
3.Electronically recorded monetary claims	311,996		340,796	
4. Inventories	1,315,368		1,177,366	
5. Others	42,055		45,235	
Total current assets	7,446,515	66.0	6,553,712	58.5
II Noncurrent assets				
1.Property, plant and equipment	2,960,845		2,887,461	
2.Intangible assets	7,529		4,792	
3.Investments and other assets	864,292		1,762,314	
Total noncurrent assets	3,832,666	34.0	4,654,568	41.5
Total assets	11,279,181	100.0	11,208,280	100.0
(Liabilities)				
I Current liabilities				
1.Notes and accounts payable-trade	126,894		107,712	
2.Short-term loans payable	120,000		120,000	
3.Other current liabilities	426,428		419,465	
Total current liabilities	673,322	6.0	647,178	5.8
II Noncurrent liabilities				
1.Other noncurrent liabilities	158,909		187,792	
Total noncurrent liabilities	158,909	1.4	187,792	1.6
Total liabilities	832,232	7.4	834,970	7.4
(Net assets)				
I Shareholders' equity				
1.Capital stock	1,087,250		1,087,250	
2.Capital surplus	1,712,257		1,704,240	
3.Retained earnings	8,540,450		8,370,554	
4.Treasury stock	(1,251,734)		(1,246,757)	
Total shareholders' equity	10,088,223	89.4	9,915,286	88.5
II Valuation and translation adjustments				
Valuation difference on available-for-sale securities	350,069		449,366	
Total valuation and translation adjustments	350,069	3.1	449,366	4.0
III Share option	8,656	0.1	8,656	0.1
Total net assets	10,446,949	92.6	10,373,310	92.6
Total liabilities and net assets	11,279,181	100.0	11,208,280	100.0

2. Statements of Income

Thousands of Yen

	As of January 31, 2024		As of January 31, 2025	
	Amount	%	Amount	%
I Net sales	3,723,518	100.0	3,927,448	100.0
II Cost of sales	2,399,237	64.4	2,677,649	68.2
Gross profit	1,324,280	35.6	1,249,799	31.8
III Selling, general, and administrative expenses	924,693	24.9	947,595	24.1
Operating income	399,587	10.7	302,203	7.7
IV Non-operating income	33,190	0.9	46,103	1.2
V Non-operating expenses	7,073	0.2	1,555	0.1
Ordinary income	425,705	11.4	346,751	8.8
VI Extraordinary income	104,940	2.8	45	0.0
VII Extraordinary loss	24,089	0.6	788	0.0
Income before income taxes	506,555	13.6	346,008	8.8
Income taxes	156,631	4.2	105,524	2.7
Net income	349,923	9.4	240,483	6.1

3. Statements of Changes in Net Assets

(Unit: Thousands of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	1,087,250	1,712,257	8,540,450	(1,251,734)	10,088,223
Changes of items during period					
Dividends of surplus			(194,373)		(194,373)
Net income			240,483		240,483
Purchase of treasury shares				(224,287)	(224,287)
Disposal of treasury shares		(23)		5,264	5,240
Cancellation of treasury shares		(7,993)	(216,006)	224,000	—
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(8,017)	(169,895)	4,976	(172,936)
Balance at end of current period	1,087,250	1,704,240	8,370,554	(1,246,757)	9,915,286

	Valuation and translation adjustments		Share option	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of current period	350,069	350,069	8,656	10,446,949
Changes of items during period				
Dividends of surplus				(194,373)
Net income				240,483
Purchase of treasury shares				(224,857)
Disposal of treasury shares				5,240
Cancellation of treasury shares				—
Net changes of items other than shareholders' equity	99,297	99,927		99,297
Total changes of items during period	99,297	99,927	—	(73,639)
Balance at end of current period	449,366	449,366	8,656	10,373,310

4. Statements of Cash Flows

Thousands of Yen

	Year ended January 31, 2024	Year ended January 31, 2025
Description	Amount	Amount
I . Net cash provided by (used in) operating activities		
Income before income taxes	506,555	346,008
Depreciation and amortization	215,021	199,245
Increase (decrease) in provision for directors' bonuses	6,100	(6,100)
Increase (decrease) in provision for retirement benefits	14,767	(4,075)
Interest and dividends income	(16,363)	(25,515)
Interest expenses	995	1,154
Increase (decrease) in provision for product warranties	(12,752)	69,708
Loss (gain) on sales of investment securities	(104,940)	—
Loss (gain) on investments in partnership	6,077	(12,013)
Subsidy income	(5,611)	(1,703)
Loss (gain) on sale of property, plant and equipment	—	(45)
Loss on retirement of property, plant and equipment	875	788
Loss on retirement of intangible fixed assets	736	7
Decrease (increase) in notes and accounts receivable-trade	(77,137)	(97,074)
Decrease (increase) in inventories	(42,744)	138,001
Increase (decrease) in notes and accounts payable-trade	4,140	(19,181)
Others	48,111	(2,240)
Subtotal	543,831	586,957
Interest and dividends received	16,334	24,339
Interest expenses paid	(1,000)	(1,177)
Proceeds from subsidy income	5,611	1,703
Income taxes paid	(117,857)	(188,627)
Net cash provided by (used in) operating activities	446,919	423,195
II .		
Payment for time deposits	(5,400,005)	(7,800,006)
Proceeds from time deposits	5,400,003	7,800,011
Purchase of property, plant and equipment	(115,144)	(112,405)
Proceeds from sale of property, plant and equipment	—	45
Purchase of investment securities	(109,716)	(259,746)
Proceeds from sales of investment securities	115,120	—
Others	6,400	11,300
Net cash provided by (used in) investing activities	(103,342)	(360,801)
III .		
Cash dividends paid	(178,482)	(193,230)
Purchase of treasury shares	—	(224,688)
Net cash provided by (used in) financing activities	(178,482)	(417,919)
IV . Effect of exchange rate change on cash and cash equivalents	3,349	474
V . Net increase (decrease) in cash and cash equivalents	168,444	(355,051)
VI . Cash and cash equivalents-Beginning	1,166,971	1,335,415
VII . Cash and cash equivalents-Ending	1,335,415	980,363

5. Others

(1) Actual of orders

Thousands of Yen		
	Year ended January 31, 2024	Year ended January 31, 2025
Products category	Amount	Amount
Control switches	992,949	1,022,452
Connecting devices	1,483,406	1,564,765
Pilot lamps and Indicators	557,820	406,479
Electronic devices	581,574	485,534
Third party sales	126,925	(461)
Others	1,908	19,314
Total	3,744,583	3,498,085

(2) Backlog of orders

Thousands of Yen		
	Year ended January 31, 2024	Year ended January 31, 2025
Products category	Amount	Amount
Control switches	423,095	418,279
Connecting devices	319,722	274,808
Pilot lamps and Indicators	276,341	181,105
Electronic devices	431,219	207,239
Third party sales	70,736	—
Others	—	10,320
Total	1,521,115	1,091,752

(3) Sales

Thousands of Yen		
	Year ended January 31, 2024	Year ended January 31, 2025
Products category	Amount	Amount
Control switches	919,657	1,027,269
Connecting devices	1,532,404	1,609,679
Pilot lamps and Indicators	436,988	501,716
Electronic devices	724,242	709,514
Third party sales	102,017	70,275
Others	8,208	8,994
Total	3,723,518	3,927,448

① Distribution channel

Thousands of Yen		
	Year ended January 31, 2024	Year ended January 31, 2025
	Amount	Amount
Domestic sales	3,367,607	3,543,787
Overseas sales	355,911	383,661
Total	3,723,518	3,927,448

② Foreign market for trading company (overseas sales)

Thousands of Yen		
	Year ended January 31, 2024	Year ended January 31, 2025
	Amount	Amount
Asia	271,999	260,038
Middle East	31,989	43,066
Others	51,922	80,556
Total	355,911	383,661