

Financial Results for the Year Ended January 31, 2024

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.**

Code Number: 6654

Coordinator: Noriko Shimomura
Director and Executive Officer
General Manager

Stock: Tokyo Stock Exchange

URL: <https://www.fujidk.co.jp>

Head Office: Kyoto, JAPAN

Telephone: (075) 221-7978

Date of the board meeting for this period: March 12, 2024

Date of the general meeting of shareholders: April 24, 2024

1. Results of fiscal year 2024 (February 1, 2023 through January 31, 2024)

(1) Operating Results

(Unit: Millions of Yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	3,723	0.4	399	13.9	425	13.7
FY 2023	3,707	(0.4)	350	52.9	374	36.6

	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 2024	349	33.3	63.05	62.95	3.4	3.8	10.7
FY 2023	262	37.3	46.77	46.70	2.6	3.4	9.5

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 2024	11,279	10,446	92.5	1,880.31
FY 2023	10,869	10,167	93.5	1,831.24

Note: Equity capital

FY 2024

10,438 million yen

FY 2023

10,158 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 2024	446	(103)	(178)	1,335
FY 2023	396	29	(413)	1,166

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 2023	16.00	16.00	32.00	177	68.4	1.7
FY 2024	16.00	19.00	35.00	194	55.5	1.9
FY 2025 (forecast)	16.00	16.00	32.00	—	107.9	—

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 2025(February 1, 2024 through January 31, 2025)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim	1,884	3.3	90	(54.9)	99	(53.4)
FY 2025	3,785	1.7	218	(45.4)	236	(44.4)

	Net income		Net income per share
	Millions of yen	%	Yen
Interim	69	(68.3)	12.47
FY 2025	164	(52.9)	29.67

Note 1: Percentages for net sales, operating income etc. for the FY 2025 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 : Yes

(2) Changes except (1) : No

(3) About number of shares

Number of shares issued	:	FY 2024	6,669,000	FY 2023	6,669,000
Treasury stock at end of each period	:	FY 2024	1,117,630	FY 2023	1,121,430
Average number of shares	:	FY 2024	5,550,297	FY 2023	5,613,076

※ Note with respect to “Forecast of operating results for Fiscal Year 2025”

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, 2024, Japan's economy slowly recovered because of these factors like improvements in consumer spending and corporate earnings. However, it remains uncertain including concerns about continuous domestic price increases and overseas geopolitical risks.

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

The cumulative sales amount of this fiscal year was 3,723 million yen (increased by 0.4% compared with the previous year).

Regarding the cumulative profit, the net sales exceeded last year's, selling, general and administrative expenses decreased, the operating income was 399 million yen (increased by 13.9% compared with the previous year), the ordinary income was 425 million yen (increased by 13.7% compared with the previous year), and recorded 104 million yen under gain on sales of investment securities in extraordinary income, the net income was 349 million yen (increased by 33.3% compared with the previous year).

(2) Operating results by segment

Control switches

The sales of Auxiliary Switches and Switches for railway vehicles decreased, the sales amount was 919 million yen (decreased by 7.6% compared with the previous year).

Connecting devices

The sales of Large current busbar connector and Test terminal block increased. However, the sales of Terminal blocks and Connector terminal block decreased. The sales amount was 1,532 million yen (decreased by 4.9% compared with the previous year).

Pilot lamps and Indicators

Although the sales of Indicator for railway vehicles increased, the sales of Multi-window Indicator and Indicators decreased. The sales amount was 436 million yen (decreased by 6.2% compared with the previous year).

Electronic devices

Telephone relay and I/O terminal were selling well. The sales amount was 724 million yen (increased by 21.1% compared with the previous year).

Third party sales

Because of the increase in sales of Equipments for photovoltaic generation and parts, the sales amount was 102 million yen (increased by 182.4% compared with the previous year).

Others

The sales amount except for Electric control devices was 8 million yen.

2. Forecast for the fiscal year ending January 31, 2025

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.

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 3,785 million yen (increased by 1.7% 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 218 million yen (decreased by 45.4% compared with the previous year), the ordinary income is 236 million yen (decreased by 44.4% compared with the previous year), and the net income is 164 million yen (decreased by 52.9% compared with the previous year).

Financial statements
1. Balance Sheets

Thousands of Yen

	As of January 31, 2023		As of January 31, 2024	
	Amount	%	Amount	%
(Assets)				
I Current assets				
1.Cash and deposits	4,466,974		4,635,420	
2.Notes and accounts receivable-trade	1,053,605		1,141,675	
3.Electronically recorded monetary claims	322,929		311,996	
4. Inventories	1,272,623		1,315,368	
5. Others	35,934		42,055	
Total current assets	7,152,067	65.8	7,446,515	66.0
II Noncurrent assets				
1.Property, plant and equipment	3,046,626		2,960,845	
2.Intangible assets	13,005		7,529	
3.Investments and other assets	658,281		864,292	
Total noncurrent assets	3,717,913	34.2	3,832,666	34.0
Total assets	10,869,981	100.0	11,279,181	100.0
(Liabilities)				
I Current liabilities				
1.Notes and accounts payable-trade	122,753		126,894	
2.Short-term loans payable	120,000		120,000	
3.Other current liabilities	335,670		426,428	
Total current liabilities	578,423	5.3	673,322	6.0
II Noncurrent liabilities				
1.Other noncurrent liabilities	123,963		158,909	
Total noncurrent liabilities	123,963	1.2	158,909	1.4
Total liabilities	702,387	6.5	832,232	7.4
(Net assets)				
I Shareholders' equity				
1.Capital stock	1,087,250		1,087,250	
2.Capital surplus	1,712,314		1,712,257	
3.Retained earnings	8,368,109		8,540,450	
4.Treasury stock	(1,255,990)		(1,251,734)	
Total shareholders' equity	9,911,683	91.2	10,088,223	89.4
II Valuation and translation adjustments				
Valuation difference on available-for-sale securities	247,253		350,069	
Total valuation and translation adjustments	247,253	2.2	350,069	3.1
III Share option	8,656	0.1	8,656	0.1
Total net assets	10,167,593	93.5	10,446,949	92.6
Total liabilities and net assets	10,869,981	100.0	11,279,181	100.0

2. Statements of Income

Thousands of Yen

	As of January 31, 2023		As of January 31, 2024	
	Amount	%	Amount	%
I Net sales	3,707,244	100.0	3,723,518	100.0
II Cost of sales	2,415,005	65.1	2,399,237	64.4
Gross profit	1,292,239	34.9	1,324,280	35.6
III Selling, general, and administrative expenses	941,291	25.4	924,693	24.9
Operating income	350,948	9.5	399,587	10.7
IV Non-operating income	30,257	0.8	33,190	0.9
V Non-operating expenses	6,708	0.2	7,073	0.2
Ordinary income	374,497	10.1	425,705	11.4
VI Extraordinary income	—		104,940	2.8
VII Extraordinary loss	0	0.0	24,089	0.6
Income before income taxes	374,497	10.1	506,555	13.6
Income taxes	111,968	3.0	156,631	4.2
Net income	262,528	7.1	349,923	9.4

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	1,712,314	8,368,109	(1,255,990)	9,911,683
Changes of items during period					
Dividends of surplus			(177,583)		(177,583)
Net income			349,923		349,923
Purchase of treasury shares					—
Disposal of treasury shares		(57)		4,256	4,199
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(57)	172,340	4,256	176,539
Balance at end of current period	1,087,250	1,712,257	8,540,450	(1,251,734)	10,088,223

	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	247,253	247,253	8,656	10,167,593
Changes of items during period				
Dividends of surplus				(177,583)
Net income				349,923
Purchase of treasury shares				—
Disposal of treasury shares				4,199
Net changes of items other than shareholders' equity	102,816	102,816		102,816
Total changes of items during period	102,816	102,816	—	279,356
Balance at end of current period	350,069	350,069	8,656	10,446,949

4. Statements of Cash Flows

Thousands of Yen

	Year ended January 31, 2023	Year ended January 31, 2024
Description	Amount	Amount
I . Net cash provided by (used in) operating activities		
Income before income taxes	374,497	506,555
Depreciation and amortization	225,813	215,021
Increase (decrease) in provision for directors' bonuses	—	6,100
Increase (decrease) in provision for retirement benefits	7,791	14,767
Interest and dividends income	(16,413)	(16,363)
Interest expenses	976	995
Increase (decrease) in provision for product warranties	(29,105)	(12,752)
Loss (gain) on sales of investment securities	—	(104,940)
Loss (gain) on investments in partnership	5,322	6,077
Subsidy income	(7,340)	(5,611)
Loss on retirement of property, plant and equipment	0	875
Loss on retirement of intangible fixed assets	—	736
Decrease (increase) in notes and accounts receivable-trade	132,615	(77,137)
Decrease (increase) in inventories	(212,792)	(42,744)
Increase (decrease) in notes and accounts payable-trade	(16,008)	4,140
Others	(3,301)	48,111
Subtotal	462,053	543,831
Interest and dividends received	16,321	16,334
Interest expenses paid	(976)	(1,000)
Proceeds from subsidy income	7,340	5,611
Income taxes paid	(88,210)	(117,857)
Net cash provided by (used in) operating activities	396,529	446,919
II .		
Payment for time deposits	(5,600,003)	(5,400,005)
Proceeds from time deposits	5,700,001	5,400,003
Purchase of property, plant and equipment	(65,416)	(115,144)
Purchase of intangible assets	(7,610)	—
Purchase of investment securities	—	(109,716)
Proceeds from sales of investment securities	—	115,120
Others	2,500	6,400
Net cash provided by (used in) investing activities	29,470	(103,342)
III .		
Cash dividends paid	(180,850)	(178,482)
Purchase of treasury shares	(232,800)	—
Others	0	—
Net cash provided by (used in) financing activities	(413,650)	(178,482)
IV . Effect of exchange rate change on cash and cash equivalents	2,430	3,349
V . Net increase (decrease) in cash and cash equivalents	14,780	168,444
VI . Cash and cash equivalents-Beginning	1,152,190	1,166,971
VII . Cash and cash equivalents-Ending	1,166,971	1,335,415

5. Others

(1) Actual of orders

Thousands of Yen		
	Year ended January 31, 2023	Year ended January 31, 2024
Products category	Amount	Amount
Control switches	1,027,624	992,949
Connecting devices	1,615,132	1,483,406
Pilot lamps and Indicators	445,709	557,820
Electronic devices	811,893	581,574
Third party sales	64,402	126,925
Others	6,315	1,908
Total	3,971,078	3,744,583

(2) Backlog of orders

Thousands of Yen		
	Year ended January 31, 2023	Year ended January 31, 2024
Products category	Amount	Amount
Control switches	349,803	423,095
Connecting devices	368,720	319,722
Pilot lamps and Indicators	155,509	276,341
Electronic devices	573,888	431,219
Third party sales	45,828	70,736
Others	6,300	—
Total	1,500,050	1,521,115

(3) Sales

Thousands of Yen		
	Year ended January 31, 2023	Year ended January 31, 2024
Products category	Amount	Amount
Control switches	995,550	919,657
Connecting devices	1,611,606	1,532,404
Pilot lamps and Indicators	465,692	436,988
Electronic devices	598,252	724,242
Third party sales	36,126	102,017
Others	15	8,208
Total	3,707,244	3,723,518

① Distribution channel

Thousands of Yen		
	Year ended January 31, 2023	Year ended January 31, 2024
	Amount	Amount
Domestic sales	3,379,172	3,367,607
Overseas sales	328,072	355,911
Total	3,707,244	3,723,518

② Foreign market for trading company (overseas sales)

Thousands of Yen		
	Year ended January 31, 2023	Year ended January 31, 2024
	Amount	Amount
Asia	245,550	271,999
Middle East	40,622	31,989
Others	41,899	51,922
Total	328,072	355,911