

Financial Results for the Third Quarter of the Year 2024

(Nine months ended on October 31, 2023)

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

Code Number: 6654

Coordinator: Noriko Shimomura

Director and Executive Officer

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: December 5, 2023

1. Third quarter financial results for the nine months ended on October 31 (February 1, 2023 through October 31, 2023)

(1) Operating Results

(Unit: Millions of Yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd Q.FY 2024	2,747	(1.8)	296	10.6	314	8.0
3rd Q.FY 2023	2,798	(1.0)	268	60.7	291	45.5

	Net income		Net income per share –basic	Net income per share –diluted
	Millions of yen	%	Yen	Yen
3rd Q.FY 2024	290	42.2	52.31	52.23
3rd Q.FY 2023	204	46.1	36.23	36.18

Note: Percentages for net sales, operating income etc. show increase (decrease) from previous year's third quarter.

(2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3rd Q.FY 2024	11,112	10,321	92.8	1,857.68
FY 2023	10,869	10,167	93.5	1,831.24

Note: Equity capital

3rd Q.FY 2024 10,312 million yen

FY 2023 10,158 million yen

2.Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2023	—	16.00	—	16.00	32.00
FY 2024	—	16.00			
FY 2024 (forecast)			—	19.00	35.00

Note : Revision of dividends forecast for this period : Yes

3.Forecast of operating results for Fiscal Year 2024 (February 1, 2023 through January 31, 2024)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2024	3,720	0.3	330	(5.7)	353	(5.7)

	Net income		Net income per share
	Millions of yen	%	Yen
FY 2024	304	16.1	54.90

Note 1: Percentages for net sales, operating income etc. for the FY 2024 show increase (decrease) from the previous year.

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

4.Others

- (1) Application of special accounting policy for quarterly financial reporting : No
- (2) Changes in the accounting policy : Yes
- (3) Changes except (2) : No
- (4) About number of shares

Number of shares issued	:	3rd Q.FY 2024	6,669,000	FY 2023	6,669,000
Treasury stock at end of each period	:	3rd Q.FY 2024	1,117,630	FY 2023	1,121,430
Average number of shares	:	3rd Q.FY 2024	5,549,936	3rd Q.FY 2023	5,635,152

※ Note with respect to “Forecast of operating results for Fiscal Year 2024”

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).

Qualitative information / Financial affairs

1. Description on business performance

(1) General situation

During the first nine months of 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, 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 I/O terminal increased, the sales of Terminal blocks and Connector terminal block decreased.

The cumulative sales amount in the first nine months of the fiscal year was 2,747 million yen (decreased by 1.8% compared with the previous year).

Regarding the cumulative profit, the net sales fell below last year's, selling, general and administrative expenses decreased, the operating income was 296 million yen (increased by 10.6% compared with the previous year), the ordinary income was 314 million yen (increased by 8.0% compared with the previous year), and recorded 104 million yen under gain on sales of investment securities in extraordinary income, the net income was 290 million yen (increased by 42.2% compared with the previous year).

(2) Products sales

Control switches

The sales of Auxiliary Switches and Switches for railway vehicles decreased, the sales amount was 687 million yen (decreased by 9.5% compared with the previous year).

Connecting devices

The sales of Large current busbar connector increased. However, the sales of Terminal blocks and Connector terminal block decreased. The sales amount was 1,124 million yen (decreased by 7.8% 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 338 million yen (decreased by 3.3% compared with the previous year).

Electronic devices

Telephone relay and I/O terminal were selling well. The sales amount was 540 million yen (increased by 23.8% 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 48 million yen (increased by 50.5% compared with the previous year).

Others

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

2. Description on business performance forecast

As for the prospects of our business performances of January 2024, there have been no changes in the prospects announced by the brief note on August 29, 2023.

3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2023	As of October 31, 2023
	Amount	Amount
(Assets)		
I Current assets		
1.Cash and deposits	4,466,974	4,565,658
2.Notes and accounts receivable-trade	1,053,605	1,092,133
3.Electronically recorded monetary claims	322,929	284,781
4.Finished goods	255,512	298,023
5.Work in process	453,508	484,235
6.Raw materials	563,602	553,232
7.Others	35,934	55,064
Total current assets	7,152,067	7,333,129
II Noncurrent assets		
(1) Property, plant and equipment		
1.Buildings, net	1,509,720	1,431,651
2.Land	1,347,627	1,347,627
3.Others, net	189,279	204,799
Total property, plant and equipment	3,046,626	2,984,079
(2) Intangible assets	13,005	9,406
(3) Investments and other assets		
1.Investment securities	609,408	750,857
2.Others	48,873	34,813
Total investments and other assets	658,281	785,671
Total noncurrent assets	3,717,913	3,779,157
Total assets	10,869,981	11,112,287

3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2023	As of October 31, 2023
	Amount	Amount
(Liabilities)		
I Current liabilities		
1.Accounts payable-trade	122,753	146,048
2.Short-term loans payable	120,000	120,000
3.Income taxes payable	75,768	91,839
4.Provision for bonuses	55,566	95,104
5.Provision for directors' bonuses	—	3,070
6.Provision for product warranties	84,914	74,065
7.Others	119,421	142,299
Total current liabilities	578,423	672,427
II Noncurrent liabilities		
1.Provision for retirement benefits	108,523	102,325
2.Others	15,440	16,193
Total noncurrent liabilities	123,963	118,518
Total liabilities	702,387	790,945
(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	8,480,823
4.Treasury stock	(1,255,990)	(1,251,734)
Total shareholders' equity	9,911,683	10,028,597
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	247,253	284,087
Total valuation and translation adjustments	247,253	284,087
III Share option	8,656	8,656
Total net assets	10,167,593	10,321,341
Total liabilities and net assets	10,869,981	11,112,287

4.Non-consolidated quarterly statements of income

Thousands of Yen

	Nine months ended October 31, 2022	Nine months ended October 31, 2023
	Amount	Amount
I Net sales	2,798,159	2,747,682
II Cost of sales	1,816,602	1,766,975
Gross profit	981,557	980,707
III Selling, general and administrative expenses	713,265	683,951
Operating income	268,292	296,755
IV Non-operating income		
1.Interest income	199	387
2.Interest on securities	—	84
3.Dividends income	8,186	7,613
4.Subsidy income	6,689	5,611
5.Foreign exchange gains	7,830	4,936
6.Others	4,487	4,990
Total non-operating income	27,393	23,623
V Non-operating expenses		
1.Interest expenses	730	741
2.Loss on investments in investment partnerships	2,872	4,679
3.Others	409	0
Total non-operating expenses	4,012	5,421
Ordinary income	291,673	314,958
VI Extraordinary income		
Gain on sales of investment securities	—	104,940
Total extraordinary income	—	104,940
VII Extraordinary loss		
Loss on retirement of noncurrent assets	0	0
Total extraordinary losses	0	0
Income before income taxes	291,673	419,897
Income taxes	87,510	129,600
Net income	204,163	290,297

5.Others

(1) Actual of orders

Thousands of Yen

	Nine months ended October 31, 2023
Products category	Amount
Control switches	704,732
Connecting devices	1,090,381
Pilot lamps and Indicators	337,071
Electronic devices	450,955
Third party sales	108,463
Others	1,870
Total	2,693,474

(2) Backlog of orders

Thousands of Yen

	Nine months ended October 31, 2023
Products category	Amount
Control switches	366,607
Connecting devices	335,051
Pilot lamps and Indicators	153,748
Electronic devices	484,840
Third party sales	105,594
Others	—
Total	1,445,842

(3) Sales

Thousands of Yen	
	Nine months ended October 31, 2023
Products category	Amount
Control switches	687,928
Connecting devices	1,124,050
Pilot lamps and Indicators	338,832
Electronic devices	540,003
Third party sales	48,697
Others	8,170
Total	2,747,682

① Sales form

Thousands of Yen	
	Nine months ended October 31, 2023
	Amount
Domestic sales	2,487,961
Overseas sales	259,721
Total	2,747,682

Note: The details of overseas sales are listed below.

② Foreign market for trading company(overseas sales)

Thousands of Yen	
	Nine months ended October 31, 2023
	Amount
Asia	187,293
Middle East	22,642
Others	49,785
Total	259,721