

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: Fumakilla Limited.  
 Stock exchange listing: Tokyo  
 Stock code: 4998 URL <https://www.fumakilla.co.jp>  
 Representative: President Kazuaki Oshimo  
 Director, General Manager Administrative  
 Inquiries: Kazuya Gobara TEL 0829-55-2112  
 Division  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	67,672	9.7	2,403	26.9	2,798	20.9	1,377	106.0
Year ended March 31, 2023	61,712	17.0	1,894	(13.2)	2,315	(8.9)	668	(51.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	83.58	–	6.3	4.7	3.6
Year ended March 31, 2023	40.58	–	3.4	4.1	3.1

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	62,366	25,602	37.2	1,406.35
As of March 31, 2023	57,370	22,890	36.1	1,256.20

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	4,327	(1,219)	(1,765)	8,172
Year ended March 31, 2023	66	(1,168)	823	6,215

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	–	–	22.00	22.00	362	54.2	1.8
Year ended March 31, 2024	–	–	–	22.00	22.00	362	26.3	1.7
Year ending March 31, 2025 (Forecast)	–	–	–	22.00	22.00		26.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	39,700	7.0	1,900	33.0	1,850	4.9	930	3.6	56.43
Full year	74,000	9.3	2,800	16.5	2,900	3.6	1,560	13.2	94.66

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	16,490,000 shares	As of March 31, 2023	16,490,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	9,765 shares	As of March 31, 2023	8,768 shares
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Average number of shares during the period

Year ended March 31, 2024	16,480,707 shares	Year ended March 31, 2023	16,481,335 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	6,919	8,874
Notes receivable - trade	519	534
Accounts receivable - trade	15,643	16,724
Electronically recorded monetary claims - operating	174	485
Merchandise and finished goods	7,889	8,542
Work in process	824	730
Raw materials and supplies	3,406	3,976
Returned assets	673	837
Other	2,158	1,702
Allowance for doubtful accounts	(14)	(20)
Total current assets	38,193	42,387
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,945	11,502
Accumulated depreciation	(5,533)	(5,988)
Buildings and structures, net	5,412	5,513
Machinery, equipment and vehicles	13,710	14,695
Accumulated depreciation	(11,429)	(12,458)
Machinery, equipment and vehicles, net	2,281	2,237
Tools, furniture and fixtures	4,698	5,027
Accumulated depreciation	(4,147)	(4,453)
Tools, furniture and fixtures, net	550	573
Land	905	928
Leased assets	233	54
Accumulated depreciation	(205)	(14)
Leased assets, net	28	40
Right-of-use assets	1,328	1,508
Accumulated depreciation	(600)	(777)
Right-of-use assets, net	727	730
Construction in progress	320	251
Total property, plant and equipment	10,225	10,275
Intangible assets		
Goodwill	1,064	1,000
Trademark right	957	898
Other	1,133	1,224
Total intangible assets	3,155	3,123
Investments and other assets		
Investment securities	4,867	5,241
Deferred tax assets	347	559
Retirement benefit asset	29	135
Other	758	793
Allowance for doubtful accounts	(194)	(149)
Allowance for investment loss	(13)	–
Total investments and other assets	5,795	6,580
Total non-current assets	19,177	19,978
Total assets	57,370	62,366

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,299	7,771
Electronically recorded obligations - operating	2,740	3,172
Short-term borrowings	15,162	14,191
Current portion of long-term borrowings	335	271
Lease liabilities	131	85
Accounts payable - other	3,329	3,301
Income taxes payable	318	231
Provision for bonuses	649	644
Refund liability	2,076	2,435
Other	468	1,000
<b>Total current liabilities</b>	<b>31,512</b>	<b>33,105</b>
<b>Non-current liabilities</b>		
Long-term borrowings	395	521
Lease liabilities	221	257
Deferred tax liabilities	771	1,125
Retirement benefit liability	653	767
Provision for retirement benefits for directors (and other officers)	364	428
Asset retirement obligations	33	34
Other	528	524
<b>Total non-current liabilities</b>	<b>2,968</b>	<b>3,658</b>
<b>Total liabilities</b>	<b>34,480</b>	<b>36,763</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,698	3,698
Capital surplus	4,797	4,797
Retained earnings	9,442	10,457
Treasury shares	(7)	(8)
<b>Total shareholders' equity</b>	<b>17,930</b>	<b>18,944</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,820	2,117
Foreign currency translation adjustment	915	2,003
Remeasurements of defined benefit plans	36	110
<b>Total accumulated other comprehensive income</b>	<b>2,772</b>	<b>4,232</b>
<b>Non-controlling interests</b>	<b>2,186</b>	<b>2,425</b>
<b>Total net assets</b>	<b>22,890</b>	<b>25,602</b>
<b>Total liabilities and net assets</b>	<b>57,370</b>	<b>62,366</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	61,712	67,672
Cost of sales	43,971	47,661
Gross profit	17,741	20,011
Selling, general and administrative expenses		
Transportation expenses	3,068	3,176
Advertising expenses	1,877	1,961
Promotion expenses	1,370	1,868
Travel and transportation expenses	484	589
Provision of allowance for doubtful accounts	11	5
Salaries and allowances	3,152	3,476
Bonuses	189	292
Provision for bonuses	405	308
Provision for bonuses for directors (and other officers)	(19)	–
Retirement benefit expenses	7	138
Provision for retirement benefits for directors (and other officers)	57	56
Depreciation	472	544
Other	4,769	5,189
Total selling, general and administrative expenses	15,847	17,607
Operating profit	1,894	2,403
Non-operating income		
Interest income	80	140
Dividend income	130	130
Rental income from real estate	46	46
Technical advisory fee income	67	17
Foreign exchange gains	62	–
Other	172	246
Total non-operating income	560	580
Non-operating expenses		
Interest expenses	83	115
Foreign exchange losses	–	13
Other	56	56
Total non-operating expenses	139	185
Ordinary profit	2,315	2,798

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	5	4
Gain on sale of investment securities	0	14
Reversal of provision for retirement benefits for directors (and other officers)	45	–
Total extraordinary income	51	18
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	44
Loss on valuation of shares of subsidiaries and associates	–	6
Retirement benefits for directors (and other officers)	319	–
Provision of allowance for investment loss	13	–
Impairment losses	314	–
Total extraordinary losses	651	51
Profit before income taxes	1,715	2,766
Income taxes - current	734	939
Income taxes - deferred	24	139
Total income taxes	759	1,079
Profit	956	1,687
Profit attributable to non-controlling interests	287	309
Profit attributable to owners of parent	668	1,377

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	956	1,687
Other comprehensive income		
Valuation difference on available-for-sale securities	193	296
Foreign currency translation adjustment	1,080	1,180
Remeasurements of defined benefit plans, net of tax	5	73
Total other comprehensive income	1,279	1,551
Comprehensive income	2,236	3,238
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,856	2,836
Comprehensive income attributable to non-controlling interests	380	401

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,698	4,797	9,149	(7)	17,637
Changes during period					
Dividends of surplus			(362)		(362)
Profit attributable to owners of parent			668		668
Net increase (decrease) in surplus by change of consolidated scope			(12)		(12)
Change in scope of consolidation - foreign currency translation adjustment					
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	293	(0)	293
Balance at end of period	3,698	4,797	9,442	(7)	17,930

	Accumulated other comprehensive income				Non-controlling interests	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	1,627	(74)	32	1,585	1,944	21,167
Changes during period						
Dividends of surplus						(362)
Profit attributable to owners of parent						668
Net increase (decrease) in surplus by change of consolidated scope						(12)
Change in scope of consolidation - foreign currency translation adjustment		(4)		(4)		(4)
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	193	994	4	1,192	241	1,433
Total changes during period	193	989	4	1,187	241	1,722
Balance at end of period	1,820	915	36	2,772	2,186	22,890



Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,698	4,797	9,442	(7)	17,930
Changes during period					
Dividends of surplus			(362)		(362)
Profit attributable to owners of parent			1,377		1,377
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,014	(1)	1,013
Balance at end of period	3,698	4,797	10,457	(8)	18,944

	Accumulated other comprehensive income				Non-controlling interests	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	1,820	915	36	2,772	2,186	22,890
Changes during period						
Dividends of surplus						(362)
Profit attributable to owners of parent						1,377
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	296	1,088	73	1,459	238	1,698
Total changes during period	296	1,088	73	1,459	238	2,712
Balance at end of period	2,117	2,003	110	4,232	2,425	25,602

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,715	2,766
Depreciation	1,463	1,464
Impairment losses	314	–
Amortization of goodwill	149	124
Increase (decrease) in retirement benefit liability	(144)	193
Increase (decrease) in allowance for doubtful accounts	13	(39)
Increase (decrease) in other provisions	(290)	45
Interest and dividend income	(211)	(270)
Interest expenses	83	115
Foreign exchange losses (gains)	8	–
Loss on valuation of shares of subsidiaries and associates	–	6
Loss (gain) on sale of investment securities	(0)	(14)
Loss (gain) on sale and retirement of property, plant and equipment	(1)	40
Insurance claim income	(2)	(1)
Retirement benefits for directors (and other officers)	319	–
Decrease (increase) in trade receivables	(2,197)	(1,407)
Decrease (increase) in inventories	364	(1,128)
Increase (decrease) in trade payables	(578)	1,903
Increase or decrease in returned assets	30	(163)
Increase or decrease in refund liabilities	(151)	358
Increase (decrease) in accounts payable - other	(408)	(41)
Decrease (increase) in accounts receivable - other	(168)	176
Other, net	598	824
Subtotal	907	4,953
Interest and dividends received	209	264
Interest paid	(81)	(102)
Proceeds from insurance income	2	1
Payments of retirement benefits for directors (and other officers)	(89)	–
Income taxes refund (paid)	(880)	(788)
Net cash provided by (used in) operating activities	66	4,327
Cash flows from investing activities		
Net decrease (increase) in time deposits	39	27
Purchase of property, plant and equipment	(1,064)	(1,153)
Proceeds from sale of property, plant and equipment	16	1
Purchase of intangible assets	(45)	(71)
Proceeds from sale of intangible assets	–	3
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	1	49
Proceeds from collection of loans receivable	24	–
Other, net	(138)	(72)
Net cash provided by (used in) investing activities	(1,168)	(1,219)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,596	(998)
Proceeds from long-term borrowings	141	352
Repayments of long-term borrowings	(192)	(372)
Repayments of lease liabilities	(185)	(201)
Purchase of treasury shares	(0)	(1)
Proceeds from disposal of treasury shares	0	–
Dividends paid	(362)	(362)
Dividends paid to non-controlling interests	(173)	(181)
Net cash provided by (used in) financing activities	823	(1,765)
Effect of exchange rate change on cash and cash equivalents	392	614
Net increase (decrease) in cash and cash equivalents	114	1,956
Cash and cash equivalents at beginning of period	6,007	6,215
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	93	–
Cash and cash equivalents at end of period	6,215	8,172