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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 (under IFRS)

July 31, 2020

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <https://www.fcc-net.co.jp/>
 Representative: Yoshitaka Saito, President and Representative Director
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Scheduled date to file Quarterly Securities Report: August 6, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary results briefing material on quarterly financial results: None
 Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated financial results for the first quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended												
June 30, 2020	18,700	(56.9)	(3,364)	–	(3,427)	–	(1,902)	–	(1,921)	–	811	–
June 30, 2019	43,438	(2.4)	3,697	(22.6)	3,143	(36.3)	2,522	(23.3)	2,470	(24.2)	(426)	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2020	(38.66)	–
June 30, 2019	49.73	–

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2020	159,051	121,814	120,200	75.6	2,419.11
March 31, 2020	161,727	122,486	120,869	74.7	2,432.56

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	–	29.00	–	29.00	58.00
Fiscal year ending March 31, 2021	–				
Fiscal year ending March 31, 2021 (Forecast)		20.00	–	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Note: For details of the revision of the cash dividends forecast, please refer to “Notice of the Consolidated Financial Results and Cash Dividends Forecasts for the Fiscal Year Ending March 31, 2021” announced on July 31, 2020.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	57,000	(35.7)	(2,500)	–	(2,600)	–	(1,700)	–	(1,700)	–	(34.21)
Fiscal year ending March 31, 2021	138,000	(19.3)	3,000	(62.0)	3,200	(51.9)	2,600	(35.5)	2,600	(33.7)	52.33

Note: Revisions to the consolidated earnings forecast most recently announced: Yes

Note: For details of the revision of the consolidated earnings forecast, please refer to “Notice of the Consolidated Financial Results and Cash Dividends Forecasts for the Fiscal Year Ending March 31, 2021” announced on July 31, 2020.

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: None

Excluded: None

- (2) Changes in accounting policies and changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies other than the above: None

c. Changes in accounting estimates: None

- (3) Number of shares issued (ordinary shares)

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

As of June 30, 2020	52,644,030 shares
As of March 31, 2020	52,644,030 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2020	2,956,099 shares
As of March 31, 2020	2,956,099 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended June 30, 2020	49,687,931 shares
For the three months ended June 30, 2019	49,688,055 shares

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements

The forward-looking statements including earnings forecasts contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended as the Company's commitment to achieve such forecasts. Actual business and other results may differ significantly from these forecasts due to a wide range of factors.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	35,350	33,890
Trade and other receivables	24,229	18,203
Other financial assets	2,114	3,121
Inventories	19,366	22,252
Other current assets	1,697	2,788
Total current assets	<u>82,759</u>	<u>80,257</u>
Non-current assets		
Property, plant and equipment	61,491	60,394
Goodwill and intangible assets	4,520	4,579
Investments accounted for using the equity method	63	65
Other financial assets	10,374	11,015
Deferred tax assets	2,388	2,614
Other non-current assets	129	125
Total non-current assets	<u>78,968</u>	<u>78,794</u>
Total assets	<u>161,727</u>	<u>159,051</u>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	11,199	9,947
Borrowings	7,206	7,192
Other financial liabilities	345	458
Income taxes payable	2,133	1,333
Provisions	2,880	2,880
Other current liabilities	5,881	5,413
Total current liabilities	<u>29,645</u>	<u>27,224</u>
Non-current liabilities		
Borrowings	1	–
Other financial liabilities	1,189	1,227
Defined benefit liability	1,470	1,616
Provisions	29	29
Deferred tax liabilities	6,625	6,692
Other non-current liabilities	280	447
Total non-current liabilities	<u>9,596</u>	<u>10,013</u>
Total liabilities	<u>39,241</u>	<u>37,237</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	123,579	120,244
Treasury shares	(4,787)	(4,787)
Other components of equity	(2,098)	567
Total equity attributable to owners of parent	<u>120,869</u>	<u>120,200</u>
Non-controlling interests	1,617	1,613
Total equity	<u>122,486</u>	<u>121,814</u>
Total liabilities and equity	<u>161,727</u>	<u>159,051</u>

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Revenue	43,438	18,700
Cost of sales	(36,006)	(18,583)
Gross profit	7,431	117
Selling, general and administrative expenses	(3,901)	(3,521)
Other income	192	69
Other expense	(24)	(29)
Operating profit (loss)	3,697	(3,364)
Finance income	309	415
Finance costs	(860)	(477)
Share of profit (loss) in investments accounted for using the equity method	(3)	0
Profit (loss) before income taxes	3,143	(3,427)
Income tax expense	(620)	1,524
Profit (loss)	2,522	(1,902)
Profit (loss) attributable to		
Owners of parent	2,470	(1,921)
Non-controlling interests	51	18
Profit	2,522	(1,902)
Earnings (loss) per share (Attributable to owners of parent)		
Basic earnings (loss) per share (Yen)	49.73	(38.66)
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	2,522	(1,902)
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(2)	26
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(310)	566
Total	<u>(312)</u>	<u>592</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	(2,646)	2,123
Share of other comprehensive income of associates accounted for using equity method	9	(2)
Total	<u>(2,636)</u>	<u>2,121</u>
Total other comprehensive income	<u>(2,949)</u>	<u>2,714</u>
Comprehensive income	<u>(426)</u>	<u>811</u>
Comprehensive income attributable to		
Owners of parent	(430)	772
Non-controlling interests	4	38
Comprehensive income	<u>(426)</u>	<u>811</u>

(4) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2019

	Equity attributable to owners of parent					
	Issued capital	Retained earnings	Treasury shares	Other components of equity		
				Exchange differences of foreign operations	Changes in the fair value of financial assets measured at fair value through other comprehensive income	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Balance as of April 1, 2019	4,175	122,365	(4,787)	187	3,934	
Profit	–	2,470	–	–	–	
Other comprehensive income	–	–	–	(2,592)	(306)	
Total comprehensive income	–	2,470	–	(2,592)	(306)	
Purchase of treasury shares	–	–	–	–	–	
Dividends	–	(1,440)	–	–	–	
Transfer from other components of equity	–	5	–	–	(8)	
Total transactions with the owners	–	(1,435)	–	–	(8)	
Balance as of June 30, 2019	4,175	123,400	(4,787)	(2,404)	3,619	

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Remeasurements of defined benefit plans	Total			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2019	–	4,122	125,875	1,652	127,527
Profit	–	–	2,470	51	2,522
Other comprehensive income	(2)	(2,901)	(2,901)	(47)	(2,949)
Total comprehensive income	(2)	(2,901)	(430)	4	(426)
Purchase of treasury shares	–	–	–	–	–
Dividends	–	–	(1,440)	(41)	(1,482)
Transfer from other components of equity	2	(5)	–	–	–
Total transactions with the owners	2	(5)	(1,440)	(41)	(1,482)
Balance as of June 30, 2019	–	1,214	124,003	1,614	125,618

Three months ended June 30, 2020

	Equity attributable to owners of parent				
	Issued capital	Retained earnings	Treasury shares	Other components of equity	
				Exchange differences of foreign operations	Changes
					in the fair value of financial assets measured at fair value through other comprehensive income
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2020	4,175	123,579	(4,787)	(5,122)	3,024
Profit (loss)	–	(1,921)	–	–	–
Other comprehensive income	–	–	–	2,105	561
Total comprehensive income	–	(1,921)	–	2,105	561
Purchase of treasury shares	–	–	–	–	–
Dividends	–	(1,440)	–	–	–
Transfer from other components of equity	–	26	–	–	–
Total transactions with the owners	–	(1,414)	–	–	–
Balance as of June 30, 2020	4,175	120,244	(4,787)	(3,017)	3,585

	Equity attributable to owners of parent					Non-controlling interests	Total equity	
	Other components of equity			Total	Millions of yen			Millions of yen
	Remeasurements of defined benefit plans	Total	Total					
	Millions of yen	Millions of yen	Millions of yen					
Balance as of April 1, 2020	–	(2,098)	120,869	1,617	122,486			
Profit (loss)	–	–	(1,921)	18	(1,902)			
Other comprehensive income	26	2,693	2,693	20	2,714			
Total comprehensive income	26	2,693	772	38	811			
Purchase of treasury shares	–	–	–	–	–			
Dividends	–	–	(1,440)	(42)	(1,483)			
Transfer from other components of equity	(26)	(26)	–	–	–			
Total transactions with the owners	(26)	(26)	(1,440)	(42)	(1,483)			
Balance as of June 30, 2020	–	567	120,200	1,613	121,814			

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from (used in) operating activities		
Profit (loss) before income taxes	3,143	(3,427)
Depreciation and amortization expense	3,348	3,235
Finance income and finance costs	(255)	(239)
Share of loss (profit) in investments accounted for using the equity method	3	(0)
Loss (gain) on sales and retirement of non-current assets	(7)	(4)
Decrease (Increase) in inventories	(1,104)	(2,326)
Decrease (Increase) in trade and other receivables	310	6,280
Increase (decrease) in trade and other payables	1,042	(1,416)
Increase (decrease) in defined benefit liability	34	14
Other	100	(243)
Subtotal	6,617	1,872
Interest and dividend income received	284	239
Interest expenses paid	(91)	(33)
Income taxes paid	(1,218)	(574)
Net cash flows from (used in) operating activities	5,591	1,504
Cash flows from (used in) investing activities		
Payments into time deposits	(468)	(981)
Proceeds from withdrawal of time deposits	266	198
Purchase of property, plant and equipment	(1,864)	(1,452)
Proceeds from sales of property, plant and equipment	63	14
Purchase of intangible assets	(312)	(329)
Payments of loans receivable	(21)	(29)
Collection of loans receivable	41	38
Purchase of investments	(182)	(17)
Other	(17)	(0)
Net cash flows from (used in) investing activities	(2,495)	(2,558)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(2,119)	(4)
Repayments of lease liabilities	(96)	(131)
Purchase of treasury shares	—	—
Cash dividends paid	(1,420)	(1,419)
Cash dividends paid to non-controlling shareholders	(41)	(42)
Net cash flows from (used in) financing activities	(3,677)	(1,598)
Net increase (decrease) in cash and cash equivalents	(581)	(2,652)
Cash and cash equivalents at beginning of period	32,444	35,350
Effect of exchange rate change on cash and cash equivalents	(1,058)	1,192
Cash and cash equivalents at end of period	30,804	33,890