

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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

October 30, 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
 Contact: Yasutaka Oishi, Operating Officer, Head of Management and Administration
 TEL: +81-53-523-2400

Scheduled date to file Quarterly Securities Report: November 12, 2020

Scheduled date to commence dividend payments: November 26, 2020

Preparation of supplementary results briefing material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the Second quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to September 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	%
Six months ended												
September 30, 2020	59,324	(33.0)	(277)	–	(248)	–	39	(99.2)	(35)	–	848	(58.5)
September 30, 2019	88,598	(0.4)	7,598	(14.8)	6,793	(30.6)	5,181	(24.3)	5,082	(24.7)	2,047	(75.2)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	(0.71)	–
September 30, 2019	102.29	–

(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
September 30, 2020	162,901	121,771	120,208	73.8	2,419.26
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	–	20.00			
Fiscal year ending March 31, 2021 (Forecast)			–	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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
Fiscal year ending March 31, 2021	138,000	(19.3)	5,000	(36.7)	5,200	(21.8)	3,700	(8.1)	3,500	(10.7)	70.44

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

Note: For details of the revision of the consolidated earnings forecast, please refer to “Notice of the Consolidated Financial Results Forecasts for the Fiscal Year Ending March31, 2021” announced on October 30, 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 September 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 September 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 six months ended September 30, 2020	49,687,931 shares
For the six months ended September 30, 2019	49,688,042 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.

How to obtain supplementary results briefing material on quarterly financial results

The Company plans to hold a quarterly financial results presentation meeting on November 10, 2020. The Company also plans to post to its website the materials that are used at the meeting promptly after the meeting is held.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	35,350	32,819
Trade and other receivables	24,229	27,525
Other financial assets	2,114	3,697
Inventories	19,366	19,761
Other current assets	1,697	2,796
Total current assets	82,759	86,601
Non-current assets		
Property, plant and equipment	61,491	58,153
Goodwill and intangible assets	4,520	4,718
Investments accounted for using the equity method	63	147
Other financial assets	10,374	10,640
Deferred tax assets	2,388	2,517
Other non-current assets	129	122
Total non-current assets	78,968	76,299
Total assets	161,727	162,901

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	11,199	15,995
Borrowings	7,206	7,168
Other financial liabilities	345	483
Income taxes payable	2,133	1,803
Provisions	2,880	—
Other current liabilities	5,881	6,541
Total current liabilities	29,645	31,991
Non-current liabilities		
Borrowings	1	—
Other financial liabilities	1,189	990
Defined benefit liability	1,470	1,646
Provisions	29	29
Deferred tax liabilities	6,625	6,016
Other non-current liabilities	280	454
Total non-current liabilities	9,596	9,138
Total liabilities	39,241	41,129
Equity		
Issued capital	4,175	4,175
Retained earnings	123,579	122,119
Treasury shares	(4,787)	(4,787)
Other components of equity	(2,098)	(1,299)
Total equity attributable to owners of parent	120,869	120,208
Non-controlling interests	1,617	1,563
Total equity	122,486	121,771
Total liabilities and equity	161,727	162,901

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	88,598	59,324
Cost of sales	(73,605)	(52,373)
Gross profit	14,993	6,951
Selling, general and administrative expenses	(7,856)	(7,504)
Other income	584	508
Other expense	(122)	(233)
Operating profit (loss)	7,598	(277)
Finance income	533	545
Finance costs	(1,339)	(506)
Share of profit (loss) in investments accounted for using the equity method	1	(9)
Profit (loss) before income taxes	6,793	(248)
Income tax expense	(1,612)	287
Profit	5,181	39
Profit attributable to		
Owners of parent	5,082	(35)
Non-controlling interests	98	74
Profit	5,181	39
Earnings (loss) per share (Attributable to owners of parent)		
Basic earnings (loss) per share (Yen)	102.29	(0.71)
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	5,181	39
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(2)	16
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(296)	225
Total	<u>(299)</u>	<u>241</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	(2,835)	581
Share of other comprehensive income of associates accounted for using equity method	1	(13)
Total	<u>(2,834)</u>	<u>567</u>
Total other comprehensive income	<u>(3,133)</u>	<u>809</u>
Comprehensive income	<u>2,047</u>	<u>848</u>
Comprehensive income attributable to		
Owners of parent	1,980	779
Non-controlling interests	66	68
Comprehensive income	<u>2,047</u>	<u>848</u>

(4) Condensed quarterly consolidated statement of changes in equity
Six months ended September 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	—	5,082	—	—	—
Other comprehensive income	—	—	—	(2,806)	(292)
Total comprehensive income	—	5,082	—	(2,806)	(292)
Purchase of treasury shares	—	—	(0)	—	—
Dividends	—	(1,440)	—	—	—
Transfer from other components of equity	—	5	—	—	(8)
Total transactions with the owners	—	(1,435)	(0)	—	(8)
Balance as of September 30, 2019	4,175	126,012	(4,787)	(2,618)	3,633

	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	
Balance as of April 1, 2019	—	4,122	125,875	1,652	127,527
Profit	—	—	5,082	98	5,181
Other comprehensive income	(2)	(3,101)	(3,101)	(32)	(3,133)
Total comprehensive income	(2)	(3,101)	1,980	66	2,047
Purchase of treasury shares	—	—	(0)	—	(0)
Dividends	—	—	(1,440)	(90)	(1,531)
Transfer from other components of equity	2	(5)	—	—	—
Total transactions with the owners	2	(5)	(1,441)	(90)	(1,531)
Balance as of September 30, 2019	—	1,014	126,415	1,629	128,044

Six months ended September 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)	—	(35)	—	—	—
Other comprehensive income	—	—	—	574	225
Total comprehensive income	—	(35)	—	574	225
Purchase of treasury shares	—	—	—	—	—
Dividends	—	(1,440)	—	—	—
Transfer from other components of equity	—	16	—	—	—
Total transactions with the owners	—	(1,424)	—	—	—
Balance as of September 30, 2020	4,175	122,119	(4,787)	(4,548)	3,249

	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, 2020	—	(2,098)	120,869	1,617	122,486
Profit (loss)	—	—	(35)	74	39
Other comprehensive income	16	815	815	(5)	809
Total comprehensive income	16	815	779	68	848
Purchase of treasury shares	—	—	—	—	—
Dividends	—	—	(1,440)	(123)	(1,564)
Transfer from other components of equity	(16)	(16)	—	—	—
Total transactions with the owners	(16)	(16)	(1,440)	(123)	(1,564)
Balance as of September 30, 2020	—	(1,299)	120,208	1,563	121,771

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from (used in) operating activities		
Profit (loss) before income taxes	6,793	(248)
Depreciation and amortization expense	6,824	6,577
Finance income and finance costs	(471)	(402)
Share of loss (profit) in investments accounted for using the equity method	(1)	9
Loss (gain) on sales and retirement of non-current assets	(37)	5
Decrease (Increase) in inventories	(9)	(353)
Decrease (Increase) in trade and other receivables	(1,234)	(3,288)
Increase (decrease) in trade and other payables	1,419	4,567
Increase (decrease) in defined benefit liability	143	108
Increase (decrease) in provisions	—	(2,880)
Other	1,154	1,092
Subtotal	14,582	5,187
Interest and dividend income received	519	391
Interest expenses paid	(118)	(38)
Income taxes paid	(2,231)	(1,895)
Income taxes refund and interest on refund received	69	9
Net cash flows from (used in) operating activities	12,822	3,655
Cash flows from (used in) investing activities		
Payments into time deposits	(695)	(1,748)
Proceeds from withdrawal of time deposits	453	360
Purchase of property, plant and equipment	(5,361)	(2,655)
Proceeds from sales of property, plant and equipment	219	78
Purchase of intangible assets	(591)	(812)
Proceeds from sales of intangible assets	0	—
Purchase of investments in associates	—	(106)
Payments of loans receivable	(44)	(67)
Collection of loans receivable	57	55
Purchase of investments	(199)	(162)
Proceeds from sales of investments	10	—
Other	(23)	32
Net cash flows from (used in) investing activities	(6,175)	(5,027)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(5,464)	(9)
Repayments of lease liabilities	(227)	(259)
Purchase of treasury shares	(0)	—
Cash dividends paid	(1,441)	(1,440)
Cash dividends paid to non-controlling shareholders	(90)	(123)
Net cash flows from (used in) financing activities	(7,223)	(1,832)
Net increase (decrease) in cash and cash equivalents	(575)	(3,204)
Cash and cash equivalents at beginning of period	32,444	35,350
Effect of exchange rate change on cash and cash equivalents	(1,045)	673
Cash and cash equivalents at end of period	30,822	32,819