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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (under IFRS)

August 4, 2021

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
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Scheduled date to file Quarterly Securities Report: August 6, 2021
 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, 2022 (from April 1, 2021 to June 30, 2021)

(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, 2021	38,425	105.5	2,852	–	3,337	–	2,388	–	2,338	–	2,780	242.7
June 30, 2020	18,700	(56.9)	(3,364)	–	(3,427)	–	(1,902)	–	(1,921)	–	811	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	47.06	–
June 30, 2020	(38.66)	–

(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, 2021	174,084	133,782	131,963	75.8	2,655.86
March 31, 2021	175,644	131,996	130,239	74.1	2,621.16

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, 2021	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2022	–				
Fiscal year ending March 31, 2022 (Forecast)		26.00	–	26.00	52.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2021	83,000	39.9	6,000	–	6,200	–	4,100	–	4,000	–	80.49
Fiscal year ending March 31, 2022	168,000	14.9	13,500	93.8	14,000	68.4	9,700	108.8	9,500	112.9	191.16

Note: Revisions to the consolidated earnings forecast most recently announced: None

*** 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, 2021	52,644,030 shares
As of March 31, 2021	52,644,030 shares

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

As of June 30, 2021	2,956,232 shares
As of March 31, 2021	2,956,232 shares

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

For the three months ended June 30, 2021	49,687,798 shares
For the three months ended June 30, 2020	49,687,931 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, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	39,607	40,912
Trade and other receivables	31,710	26,748
Other financial assets	4,493	4,224
Inventories	21,276	23,933
Other current assets	2,459	2,351
Total current assets	99,548	98,170
Non-current assets		
Property, plant and equipment	57,570	56,692
Goodwill and intangible assets	3,934	3,969
Investments accounted for using the equity method	152	146
Other financial assets	12,076	12,471
Deferred tax assets	2,213	2,490
Other non-current assets	148	143
Total non-current assets	76,096	75,914
Total assets	175,644	174,084

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,000	14,020
Borrowings	7,208	6,100
Other financial liabilities	492	429
Income taxes payable	2,217	2,138
Other current liabilities	7,418	6,905
Total current liabilities	<u>33,336</u>	<u>29,594</u>
Non-current liabilities		
Other financial liabilities	1,238	1,382
Defined benefit liability	1,251	1,331
Provisions	29	29
Deferred tax liabilities	7,331	7,647
Other non-current liabilities	460	316
Total non-current liabilities	<u>10,311</u>	<u>10,707</u>
Total liabilities	43,648	40,302
Equity		
Issued capital	4,175	4,175
Retained earnings	125,943	127,286
Treasury shares	(4,788)	(4,788)
Other components of equity	4,908	5,289
Total equity attributable to owners of parent	<u>130,239</u>	<u>131,963</u>
Non-controlling interests	1,756	1,818
Total equity	<u>131,996</u>	<u>133,782</u>
Total liabilities and equity	<u>175,644</u>	<u>174,084</u>

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Revenue	18,700	38,425
Cost of sales	(18,583)	(31,507)
Gross profit	117	6,917
Selling, general and administrative expenses	(3,521)	(4,175)
Other income	69	144
Other expense	(29)	(34)
Operating profit (loss)	(3,364)	2,852
Finance income	415	494
Finance costs	(477)	(8)
Share of profit (loss) in investments accounted for using the equity method	0	(1)
Profit (loss) before income taxes	(3,427)	3,337
Income tax expense	1,524	(948)
Profit (loss)	(1,902)	2,388
Profit (loss) attributable to		
Owners of parent	(1,921)	2,338
Non-controlling interests	18	50
Profit	(1,902)	2,388
Earnings (loss) per share (Attributable to owners of parent)		
Basic earnings (loss) per share (Yen)	(38.66)	47.06
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(1,902)	2,388
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	26	(3)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	566	283
Total	<u>592</u>	<u>279</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	2,123	121
Share of other comprehensive income of associates accounted for using equity method	(2)	(9)
Total	<u>2,121</u>	<u>112</u>
Total other comprehensive income	<u>2,714</u>	<u>392</u>
Comprehensive income	<u>811</u>	<u>2,780</u>
Comprehensive income attributable to		
Owners of parent	772	2,717
Non-controlling interests	38	63
Comprehensive income	<u>811</u>	<u>2,780</u>

(4) Condensed quarterly consolidated statement of changes in equity
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				
	Other components of equity		Total	Non-controlling interests	Total equity
	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)	–	–	(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

Three months ended June 30, 2021

	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, 2021	4,175	125,943	(4,788)	367	4,541
Profit	–	2,338	–	–	–
Other comprehensive income	–	–	–	101	280
Total comprehensive income	–	2,338	–	101	280
Purchase of treasury shares	–	–	–	–	–
Dividends	–	(993)	–	–	–
Transfer from other components of equity	–	(1)	–	–	(1)
Total transactions with the owners	–	(995)	–	–	(1)
Balance as of June 30, 2021	4,175	127,286	(4,788)	469	4,820

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total equity
	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, 2021	–	4,908	130,239	1,756	131,996
Profit	–	–	2,338	50	2,388
Other comprehensive income	(3)	379	379	12	392
Total comprehensive income	(3)	379	2,717	63	2,780
Purchase of treasury shares	–	–	–	–	–
Dividends	–	–	(993)	(0)	(994)
Transfer from other components of equity	3	1	–	–	–
Total transactions with the owners	3	1	(993)	(0)	(994)
Balance as of June 30, 2021	–	5,289	131,963	1,818	133,782

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from (used in) operating activities		
Profit (loss) before income taxes	(3,427)	3,337
Depreciation and amortization expense	3,235	3,164
Finance income and finance costs	(239)	(535)
Share of loss (profit) in investments accounted for using the equity method	(0)	1
Loss (gain) on sales and retirement of non-current assets	(4)	(4)
Decrease (Increase) in inventories	(2,326)	(2,355)
Decrease (Increase) in trade and other receivables	6,280	5,022
Increase (decrease) in trade and other payables	(1,416)	(1,535)
Increase (decrease) in defined benefit liability	14	83
Other	(243)	(721)
Subtotal	1,872	6,457
Interest and dividend income received	239	256
Interest expenses paid	(33)	(13)
Income taxes paid	(574)	(1,168)
Income taxes refund and interest on refund received	–	491
Net cash flows from (used in) operating activities	1,504	6,024
Cash flows from (used in) investing activities		
Payments into time deposits	(981)	(397)
Proceeds from withdrawal of time deposits	198	864
Purchase of property, plant and equipment	(1,452)	(2,510)
Proceeds from sales of property, plant and equipment	14	36
Purchase of intangible assets	(329)	(334)
Payments of loans receivable	(29)	(31)
Collection of loans receivable	38	42
Purchase of investments	(17)	(214)
Proceeds from sales and redemption of investments	–	1
Other	(0)	26
Net cash flows from (used in) investing activities	(2,558)	(2,517)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(4)	(1,093)
Repayments of lease liabilities	(131)	(198)
Cash dividends paid	(1,419)	(976)
Cash dividends paid to non-controlling shareholders	(42)	(0)
Net cash flows from (used in) financing activities	(1,598)	(2,269)
Net increase (decrease) in cash and cash equivalents	(2,652)	1,236
Cash and cash equivalents at beginning of period	35,350	39,607
Effect of exchange rate change on cash and cash equivalents	1,192	67
Cash and cash equivalents at end of period	33,890	40,912