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

February 3, 2022

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <https://www.fcc-net.co.jp/>
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Scheduled date to file Quarterly Securities Report: February 10, 2022

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 Third quarter of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 2022)

(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	%
Nine months ended												
December 31, 2021	123,009	21.2	7,940	177.7	8,817	192.3	5,953	178.0	5,850	188.8	9,506	182.0
December 31, 2020	101,483	(22.3)	2,859	(72.4)	3,016	(71.1)	2,141	(74.1)	2,025	(75.0)	3,370	(55.7)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	117.73	—
December 31, 2020	40.77	—

(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
December 31, 2021	183,156	139,109	137,301	75.0	2,762.49
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	–	26.00	–		
Fiscal year ending March 31, 2022 (Forecast)				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
Fiscal year ending March 31, 2022	167,000	14.3	12,000	72.3	12,800	54.0	9,000	93.8	8,800	97.2	177.07

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 December 31, 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 December 31, 2021	2,941,842 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 nine months ended December 31, 2021	49,696,399 shares
For the nine months ended December 31, 2020	49,687,922 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 December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	39,607	41,384
Trade and other receivables	31,710	29,145
Other financial assets	4,493	3,251
Inventories	21,276	29,324
Other current assets	2,459	3,460
Total current assets	99,548	106,566
Non-current assets		
Property, plant and equipment	57,570	56,633
Goodwill and intangible assets	3,934	3,962
Investments accounted for using the equity method	152	166
Other financial assets	12,076	13,173
Deferred tax assets	2,213	2,513
Other non-current assets	148	140
Total non-current assets	76,096	76,590
Total assets	175,644	183,156

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,000	18,585
Borrowings	7,208	6,100
Other financial liabilities	492	393
Income taxes payable	2,217	2,240
Other current liabilities	7,418	5,916
Total current liabilities	<u>33,336</u>	<u>33,235</u>
Non-current liabilities		
Other financial liabilities	1,238	1,279
Defined benefit liability	1,251	1,633
Provisions	29	29
Deferred tax liabilities	7,331	7,506
Other non-current liabilities	460	361
Total non-current liabilities	<u>10,311</u>	<u>10,811</u>
Total liabilities	43,648	44,047
Equity		
Issued capital	4,175	4,175
Retained earnings	125,943	129,519
Treasury shares	(4,788)	(4,764)
Other components of equity	4,908	8,370
Total equity attributable to owners of parent	<u>130,239</u>	<u>137,301</u>
Non-controlling interests	1,756	1,807
Total equity	<u>131,996</u>	<u>139,109</u>
Total liabilities and equity	<u>175,644</u>	<u>183,156</u>

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	101,483	123,009
Cost of sales	(87,199)	(102,284)
Gross profit	14,283	20,724
Selling, general and administrative expenses	(11,603)	(12,990)
Other income	608	382
Other expense	(429)	(175)
Operating profit	2,859	7,940
Finance income	812	892
Finance costs	(642)	(10)
Share of profit (loss) in investments accounted for using the equity method	(12)	(5)
Profit before income taxes	3,016	8,817
Income tax expense	(875)	(2,863)
Profit	2,141	5,953
Profit attributable to		
Owners of parent	2,025	5,850
Non-controlling interests	116	103
Profit	2,141	5,953
Earnings per share		
(Attributable to owners of parent)		
Basic earnings per share (Yen)	40.77	117.73
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	2,141	5,953
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	20	11
Changes in the fair value of financial assets measured at fair value through other comprehensive income	785	(265)
Total	<u>806</u>	<u>(253)</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	436	3,813
Share of other comprehensive income of associates accounted for using equity method	(13)	(6)
Total	<u>422</u>	<u>3,806</u>
Total other comprehensive income	<u>1,229</u>	<u>3,552</u>
Comprehensive income	<u>3,370</u>	<u>9,506</u>
Comprehensive income attributable to		
Owners of parent	3,264	9,325
Non-controlling interests	106	180
Comprehensive income	<u>3,370</u>	<u>9,506</u>

(4) Condensed quarterly consolidated statement of changes in equity
Nine months ended December 31, 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	–	2,025	–	–	–
Other comprehensive income	–	–	–	440	777
Total comprehensive income	–	2,025	–	440	777
Purchase of treasury shares	–	–	(0)	–	–
Disposal of treasury shares	–	–	–	–	–
Dividends	–	(2,434)	–	–	–
Transfer from other components of equity	–	20	–	–	–
Total transactions with the owners	–	(2,413)	(0)	–	–
Balance as of December 31, 2020	4,175	123,191	(4,787)	(4,682)	3,801

	Equity attributable to owners of parent				
	Other components of equity			Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	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	–	–	2,025	116	2,141
Other comprehensive income	20	1,238	1,238	(9)	1,229
Total comprehensive income	20	1,238	3,264	106	3,370
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	–	–	–
Dividends	–	–	(2,434)	(123)	(2,557)
Transfer from other components of equity	(20)	(20)	–	–	–
Total transactions with the owners	(20)	(20)	(2,434)	(123)	(2,557)
Balance as of December 31, 2020	–	(881)	121,698	1,600	123,299

Nine months ended December 31, 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	–	5,850	–	–	–
Other comprehensive income	–	–	–	3,726	(263)
Total comprehensive income	–	5,850	–	3,726	(263)
Purchase of treasury shares	–	–	(0)	–	–
Disposal of treasury shares	–	(0)	23	–	–
Dividends	–	(2,286)	–	–	–
Transfer from other components of equity	–	12	–	–	(1)
Total transactions with the owners	–	(2,273)	23	–	(1)
Balance as of December 31, 2021	4,175	129,519	(4,764)	4,094	4,276

	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	–	–	5,850	103	5,953
Other comprehensive income	11	3,474	3,474	77	3,552
Total comprehensive income	11	3,474	9,325	180	9,506
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	22	–	22
Dividends	–	–	(2,286)	(129)	(2,415)
Transfer from other components of equity	(11)	(12)	–	–	–
Total transactions with the owners	(11)	(12)	(2,263)	(129)	(2,393)
Balance as of December 31, 2021	–	8,370	137,301	1,807	139,109

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from (used in) operating activities		
Profit before income taxes	3,016	8,817
Depreciation and amortization expense	10,097	9,529
Finance income and finance costs	(596)	(799)
Share of loss (profit) in investments accounted for using the equity method	12	5
Loss (gain) on sales and retirement of non-current assets	14	24
Decrease (Increase) in inventories	66	(7,082)
Decrease (Increase) in trade and other receivables	(3,887)	3,026
Increase (decrease) in trade and other payables	2,158	1,703
Increase (decrease) in defined benefit liability	201	297
Increase (decrease) in provisions	(2,880)	–
Other	(128)	(1,679)
Subtotal	8,076	13,843
Interest and dividend income received	651	642
Interest expenses paid	(40)	(18)
Income taxes paid	(2,912)	(3,725)
Income taxes refund and interest on refund received	9	502
Net cash flows from (used in) operating activities	5,784	11,244
Cash flows from (used in) investing activities		
Payments into time deposits	(2,292)	(2,004)
Proceeds from withdrawal of time deposits	559	2,495
Purchase of property, plant and equipment	(4,080)	(6,124)
Proceeds from sales of property, plant and equipment	101	125
Purchase of intangible assets	(1,217)	(890)
Purchase of investments in associates	(107)	–
Payments of loans receivable	(140)	(66)
Collection of loans receivable	128	96
Purchase of investments	(167)	(314)
Proceeds from sales and redemption of investments	0	1
Other	(21)	(31)
Net cash flows from (used in) investing activities	(7,239)	(6,713)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(12)	(1,093)
Repayments of lease liabilities	(439)	(545)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,433)	(2,283)
Cash dividends paid to non-controlling shareholders	(123)	(129)
Net cash flows from (used in) financing activities	(3,007)	(4,053)
Net increase (decrease) in cash and cash equivalents	(4,462)	478
Cash and cash equivalents at beginning of period	35,350	39,607
Effect of exchange rate change on cash and cash equivalents	1,010	1,298
Cash and cash equivalents at end of period	31,897	41,384