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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (under IFRS)

February 3, 2023

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: February 10, 2023

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, 2023 (from April 1, 2022 to December 31, 2023)

(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, 2022	162,355	32.0	6,879	(13.4)	8,350	(5.3)	5,732	(3.7)	5,538	(5.3)	9,185	(3.4)
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

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	111.41	—
December 31, 2021	117.73	—

(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
December 31, 2022	202,189	155,009	153,011	75.7	3,076.98
March 31, 2022	195,364	148,532	146,625	75.1	2,950.09

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, 2022	–	26.00	–	26.00	52.00
Fiscal year ending March 31, 2023	–	26.00	–		
Fiscal year ending March 31, 2023 (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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	214,000	25.2	10,000	(0.5)	11,500	(3.7)	7,700	(11.3)	7,500	(12.3)	150.84

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

*** 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, 2022	52,644,030 shares
As of March 31, 2022	52,644,030 shares

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

As of December 31, 2022	2,916,364 shares
As of March 31, 2022	2,941,879 shares

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

For the nine months ended December 31, 2022	49,717,462 shares
For the nine months ended December 31, 2021	49,696,399 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	44,627	49,170
Trade and other receivables	34,203	34,284
Other financial assets	2,413	2,529
Inventories	30,780	33,983
Other current assets	2,985	4,564
Total current assets	115,010	124,533
Non-current assets		
Property, plant and equipment	60,029	58,430
Goodwill and intangible assets	3,805	3,578
Investments accounted for using the equity method	168	163
Other financial assets	13,607	12,780
Deferred tax assets	2,595	2,429
Other non-current assets	146	273
Total non-current assets	80,354	77,656
Total assets	195,364	202,189

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	18,254	18,449
Borrowings	6,100	6,100
Other financial liabilities	385	338
Income taxes payable	2,125	1,720
Provisions	1,669	3,119
Other current liabilities	7,042	6,475
Total current liabilities	<u>35,577</u>	<u>36,203</u>
Non-current liabilities		
Other financial liabilities	1,260	1,113
Defined benefit liability	1,644	1,438
Provisions	14	14
Deferred tax liabilities	7,973	7,906
Other non-current liabilities	362	502
Total non-current liabilities	<u>11,255</u>	<u>10,976</u>
Total liabilities	<u>46,832</u>	<u>47,180</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	132,252	135,526
Treasury shares	(4,764)	(4,723)
Other components of equity	14,962	18,032
Total equity attributable to owners of parent	<u>146,625</u>	<u>153,011</u>
Non-controlling interests	1,906	1,998
Total equity	<u>148,532</u>	<u>155,009</u>
Total liabilities and equity	<u>195,364</u>	<u>202,189</u>

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Revenue	123,009	162,355
Cost of sales	(102,284)	(139,558)
Gross profit	20,724	22,796
Selling, general and administrative expenses	(12,990)	(16,217)
Other income	382	445
Other expense	(175)	(145)
Operating profit	7,940	6,879
Finance income	892	1,506
Finance costs	(10)	(27)
Share of profit (loss) in investments accounted for using the equity method	(5)	(8)
Profit before income taxes	8,817	8,350
Income tax expense	(2,863)	(2,618)
Profit	5,953	5,732
Profit attributable to		
Owners of parent	5,850	5,538
Non-controlling interests	103	193
Profit	5,953	5,732
Earnings per share		
Basic earnings per share (Yen)	117.73	111.41
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	5,953	5,732
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	11	326
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(265)	(461)
Total	<u>(253)</u>	<u>(134)</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	3,813	3,582
Share of other comprehensive income of associates accounted for using equity method	(6)	6
Total	<u>3,806</u>	<u>3,588</u>
Total other comprehensive income	<u>3,552</u>	<u>3,453</u>
Comprehensive income	<u>9,506</u>	<u>9,185</u>
Comprehensive income attributable to		
Owners of parent	9,325	8,936
Non-controlling interests	180	248
Comprehensive income	<u>9,506</u>	<u>9,185</u>

(4) Condensed quarterly consolidated statement of changes in equity
 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

Nine months ended December 31, 2022

	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, 2022	4,175	132,252	(4,764)	10,480	4,481
Profit	–	5,538	–	–	–
Other comprehensive income	–	–	–	3,528	(456)
Total comprehensive income	–	5,538	–	3,528	(456)
Purchase of treasury shares	–	–	(0)	–	–
Disposal of treasury shares	–	(7)	41	–	–
Dividends	–	(2,585)	–	–	–
Transfer from other components of equity	–	327	–	–	(1)
Total transactions with the owners	–	(2,265)	41	–	(1)
Balance as of December 31, 2022	4,175	135,526	(4,723)	14,009	4,023

	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, 2022	–	14,962	146,625	1,906	148,532
Profit	–	–	5,538	193	5,732
Other comprehensive income	326	3,397	3,397	55	3,453
Total comprehensive income	326	3,397	8,936	248	9,185
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	33	–	33
Dividends	–	–	(2,585)	(157)	(2,742)
Transfer from other components of equity	(326)	(327)	–	–	–
Total transactions with the owners	(326)	(327)	(2,551)	(157)	(2,708)
Balance as of December 31, 2022	–	18,032	153,011	1,998	155,009

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from (used in) operating activities		
Profit before income taxes	8,817	8,350
Depreciation and amortization expense	9,529	10,253
Finance income and finance costs	(799)	(1,102)
Share of loss (profit) in investments accounted for using the equity method	5	8
Loss (gain) on sales and retirement of non-current assets	24	31
Decrease (Increase) in inventories	(7,082)	(2,475)
Decrease (Increase) in trade and other receivables	3,026	1,026
Increase (decrease) in trade and other payables	1,703	178
Increase (decrease) in defined benefit liability	297	188
Increase (decrease) in provisions	–	1,450
Other	(1,679)	(640)
Subtotal	13,843	17,267
Interest and dividend income received	642	733
Interest expenses paid	(18)	(17)
Income taxes paid	(3,725)	(4,410)
Income taxes refund and interest on refund received	502	19
Net cash flows from (used in) operating activities	11,244	13,592
Cash flows from (used in) investing activities		
Payments into time deposits	(2,004)	(976)
Proceeds from withdrawal of time deposits	2,495	1,479
Purchase of property, plant and equipment	(6,124)	(6,140)
Proceeds from sales of property, plant and equipment	125	100
Purchase of intangible assets	(890)	(628)
Payments of loans receivable	(66)	(61)
Collection of loans receivable	96	85
Purchase of investments	(314)	(426)
Proceeds from sales and redemption of investments	1	2
Other	(31)	(61)
Net cash flows from (used in) investing activities	(6,713)	(6,626)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(1,093)	–
Repayments of lease liabilities	(545)	(352)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,283)	(2,583)
Cash dividends paid to non-controlling shareholders	(129)	(157)
Net cash flows from (used in) financing activities	(4,053)	(3,093)
Net increase (decrease) in cash and cash equivalents	478	3,871
Cash and cash equivalents at beginning of period	39,607	44,627
Effect of exchange rate change on cash and cash equivalents	1,298	671
Cash and cash equivalents at end of period	41,384	49,170