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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (under IFRS)

August 4, 2023

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: August 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 first quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to June 30, 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	%
Three months ended												
June 30, 2023	56,440	16.5	3,008	67.6	4,504	60.7	3,033	94.0	2,900	91.0	12,993	22.9
June 30, 2022	48,441	26.1	1,794	(37.1)	2,802	(16.0)	1,563	(34.5)	1,518	(35.1)	10,568	280.0

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	58.33	—
June 30, 2022	30.56	—

(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, 2023	223,427	172,332	171,122	76.6	3,441.20
March 31, 2023	210,626	162,124	160,055	76.0	3,218.63

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, 2023	–	26.00	–	30.00	56.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		30.00	–	30.00	60.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2023	111,000	3.6	6,000	41.6	6,300	10.1	4,100	17.8	4,000	18.6	80.43
Fiscal year ending March 31, 2024	227,000	3.7	14,000	17.6	14,500	6.3	9,800	(0.0)	9,600	0.3	193.00

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, 2023	52,644,030 shares
As of March 31, 2023	52,644,030 shares

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

As of June 30, 2023	2,916,494 shares
As of March 31, 2023	2,916,364 shares

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

For the three months ended June 30, 2023	49,727,560 shares
For the three months ended June 30, 2022	49,702,151 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	53,738	59,596
Trade and other receivables	38,739	40,356
Other financial assets	3,902	3,525
Inventories	32,715	33,714
Other current assets	3,091	3,855
Total current assets	132,189	141,048
Non-current assets		
Property, plant and equipment	57,483	59,766
Goodwill and intangible assets	3,447	3,329
Investments accounted for using the equity method	161	172
Other financial assets	14,395	16,048
Deferred tax assets	2,554	2,682
Other non-current assets	394	378
Total non-current assets	78,437	82,378
Total assets	210,626	223,427

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	18,204	19,017
Borrowings	6,100	6,100
Other financial liabilities	313	485
Income taxes payable	2,019	2,367
Provisions	3,478	4,110
Other current liabilities	8,187	7,599
Total current liabilities	38,302	39,679
Non-current liabilities		
Other financial liabilities	1,096	1,379
Defined benefit liability	1,527	1,562
Provisions	14	14
Deferred tax liabilities	7,087	7,991
Other non-current liabilities	472	466
Total non-current liabilities	10,199	11,414
Total liabilities	48,502	51,094
Equity		
Issued capital	4,175	4,175
Retained earnings	139,639	140,910
Treasury shares	(4,723)	(4,723)
Other components of equity	20,963	30,759
Total equity attributable to owners of parent	160,055	171,122
Non-controlling interests	2,069	1,209
Total equity	162,124	172,332
Total liabilities and equity	210,626	223,427

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	48,441	56,440
Cost of sales	(41,685)	(47,763)
Gross profit	6,756	8,676
Selling, general and administrative expenses	(5,114)	(5,822)
Other income	165	178
Other expense	(13)	(24)
Operating profit	1,794	3,008
Finance income	1,017	1,500
Finance costs	(6)	(5)
Share of profit (loss) in investments accounted for using the equity method	(3)	1
Profit before income taxes	2,802	4,504
Income tax expense	(1,238)	(1,471)
Profit	1,563	3,033
Profit attributable to		
Owners of parent	1,518	2,900
Non-controlling interests	44	132
Profit	1,563	3,033
Earnings per share		
Basic earnings per share (Yen)	30.56	58.33
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,563	3,033
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	23	24
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(232)	1,344
Total	<u>(209)</u>	<u>1,369</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	9,232	8,601
Share of other comprehensive income of associates accounted for using equity method	(18)	(11)
Total	<u>9,213</u>	<u>8,590</u>
Total other comprehensive income	<u>9,004</u>	<u>9,960</u>
Comprehensive income	<u>10,568</u>	<u>12,993</u>
Comprehensive income attributable to		
Owners of parent	10,388	12,721
Non-controlling interests	179	271
Comprehensive income	<u>10,568</u>	<u>12,993</u>

(4) Condensed quarterly consolidated statement of changes in equity
Three months ended June 30, 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	–	1,518	–	–	–
Other comprehensive income	–	–	–	9,077	(230)
Total comprehensive income	–	1,518	–	9,077	(230)
Purchase of treasury shares	–	–	–	–	–
Dividends	–	(1,292)	–	–	–
Increase (decrease) through changes in interests	–	–	–	–	–
Transfer from other components of equity	–	23	–	–	–
Total transactions with the owners	–	(1,268)	–	–	–
Balance as of June 30, 2022	4,175	132,502	(4,764)	19,558	4,250

	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, 2022	–	14,962	146,625	1,906	148,532	
Profit	–	–	1,518	44	1,563	
Other comprehensive income	23	8,869	8,869	134	9,004	
Total comprehensive income	23	8,869	10,388	179	10,568	
Purchase of treasury shares	–	–	–	–	–	
Dividends	–	–	(1,292)	(0)	(1,293)	
Increase (decrease) through changes in interests	–	–	–	–	–	
Transfer from other components of equity	(23)	(23)	–	–	–	
Total transactions with the owners	(23)	(23)	(1,292)	(0)	(1,293)	
Balance as of June 30, 2022	–	23,809	155,722	2,085	157,807	

Three months ended June 30, 2023

	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
Balance as of April 1, 2023	4,175	139,639	(4,723)	16,180	4,782
Profit	–	2,900	–	–	–
Other comprehensive income	–	–	–	8,464	1,331
Total comprehensive income	–	2,900	–	8,464	1,331
Purchase of treasury shares	–	–	(0)	–	–
Dividends	–	(1,491)	–	–	–
Increase (decrease) through changes in interests	–	(161)	–	–	–
Transfer from other components of equity	–	24	–	–	–
Total transactions with the owners	–	(1,628)	(0)	–	–
Balance as of June 30, 2023	4,175	140,910	(4,723)	24,645	6,114

	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, 2023	–	20,963	160,055	2,069	162,124
Profit	–	–	2,900	132	3,033
Other comprehensive income	24	9,820	9,820	139	9,960
Total comprehensive income	24	9,820	12,721	271	12,993
Purchase of treasury shares	–	–	(0)	–	(0)
Dividends	–	–	(1,491)	(0)	(1,492)
Increase (decrease) through changes in interests	–	–	(161)	(1,130)	(1,292)
Transfer from other components of equity	(24)	(24)	–	–	–
Total transactions with the owners	(24)	(24)	(1,653)	(1,131)	(2,784)
Balance as of June 30, 2023	–	30,759	171,122	1,209	172,332

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from (used in) operating activities		
Profit before income taxes	2,802	4,504
Depreciation and amortization expense	3,320	3,388
Finance income and finance costs	(743)	(1,432)
Share of loss (profit) in investments accounted for using the equity method	3	(1)
Loss (gain) on sales and retirement of non-current assets	(0)	(8)
Decrease (Increase) in inventories	(1,719)	1,384
Decrease (Increase) in trade and other receivables	698	1,143
Increase (decrease) in trade and other payables	(859)	(569)
Increase (decrease) in defined benefit liability	(39)	(88)
Increase (decrease) in provisions	825	632
Other	(561)	(1,420)
Subtotal	3,727	7,531
Interest and dividend income received	285	342
Interest expenses paid	(3)	(3)
Income taxes paid	(1,091)	(1,029)
Income taxes refund and interest on refund received	2	3
Net cash flows from (used in) operating activities	2,920	6,844
Cash flows from (used in) investing activities		
Payments into time deposits	(690)	(4)
Proceeds from withdrawal of time deposits	1,189	1,131
Purchase of property, plant and equipment	(2,301)	(2,500)
Proceeds from sales of property, plant and equipment	15	44
Purchase of intangible assets	(226)	(165)
Payments of loans receivable	(14)	(6)
Collection of loans receivable	34	31
Purchase of investments	(268)	(47)
Other	(27)	13
Net cash flows from (used in) investing activities	(2,287)	(1,503)
Cash flows from (used in) financing activities		
Repayments of lease liabilities	(104)	(121)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(1,292)
Purchase of treasury shares	—	(0)
Cash dividends paid	(1,262)	(1,464)
Cash dividends paid to non-controlling shareholders	(0)	(0)
Net cash flows from (used in) financing activities	(1,367)	(2,879)
Net increase (decrease) in cash and cash equivalents	(734)	2,460
Cash and cash equivalents at beginning of period	44,627	53,738
Effect of exchange rate change on cash and cash equivalents	2,709	3,397
Cash and cash equivalents at end of period	46,601	59,596