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Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (under IFRS)

April 26, 2019

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <http://www.fcc-net.co.jp/>
 Representative: Toshimichi Matsuda, President and Representative Director
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Scheduled date for holding ordinary general meeting of shareholders: June 25, 2019
 Scheduled date to commence dividend payments: June 26, 2019
 Scheduled date to file annual securities report: June 27, 2019
 Preparation of supplementary results briefing material on consolidated financial results: Yes
 Holding of 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 fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Sales revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	177,605	2.6	15,843	12.7	16,503	17.2	11,965	20.6	11,779	21.5	12,380	56.0
March 31, 2018	173,174	10.1	14,052	25.1	14,083	23.3	9,923	32.3	9,691	34.5	7,935	12.9

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	235.05	—	9.7	9.6	8.9
March 31, 2018	193.11	—	8.5	8.5	8.1

Reference: Share of profit (loss) in investments accounted for using the equity method

For the fiscal year ended March 31, 2019: ¥(32) million

For the fiscal year ended March 31, 2018: ¥(13) million

(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
March 31, 2019	173,644	127,527	125,875	72.5	2,533.32
March 31, 2018	170,302	118,900	117,311	68.9	2,337.43

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	23,622	(8,695)	(7,981)	32,444
March 31, 2018	24,120	(19,122)	(2,657)	25,230

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2018	—	21.00	—	21.00	42.00	2,107	21.7	1.8
March 31, 2019	—	23.00	—	29.00	52.00	2,583	22.1	2.1
Fiscal year ending March 31, 2020 (Forecast)	—	29.00	—	29.00	58.00		24.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Percentages indicate year-on-year changes.)

	Sales 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, 2019	89,000	0.1	7,000	(21.5)	7,200	(26.4)	5,100	(25.5)	5,000	(26.0)	100.63
Fiscal year ending March 31, 2020	180,000	1.3	16,000	1.0	16,200	(1.8)	11,800	(1.4)	11,600	(1.5)	233.46

*** 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: Yes

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 March 31, 2019	52,644,030 shares
As of March 31, 2018	52,644,030 shares

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

As of March 31, 2019	2,955,975 shares
As of March 31, 2018	2,455,841 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2019	50,114,124 shares
Fiscal year ended March 31, 2018	50,188,216 shares

(Reference) Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2019
(from April 1, 2018 to March 31, 2019)**

- (1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	40,850	3.0	1,671	△15.5	6,295	6.8	5,237	129.9
March 31, 2018	39,663	7.9	1,977	—	5,897	38.4	2,278	(21.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2019	104.52	—
March 31, 2018	45.39	—

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2019	90,681	70,041	77.2	1,409.63
March 31, 2018	94,930	69,385	73.1	1,382.50

Reference: Equity

For the fiscal year ended March 31, 2019: ¥70,041 million

For the fiscal year ended March 31, 2018: ¥69,385 million

* Financial results reports are exempt from audit 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 consolidated financial results

The Company plans to hold a financial results presentation meeting on May 9, 2019. The Company also plans to post to its website the materials that are used at the meeting promptly after the meeting is held.

Consolidated financial statements

(1) Consolidated statement of financial position

	(Millions of yen)	
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and cash equivalents	25,230	32,444
Trade and other receivables	28,855	28,080
Other financial assets	2,339	1,625
Inventories	18,428	20,503
Other current assets	2,038	2,366
Total current assets	76,892	85,020
Non-current assets		
Property, plant and equipment	72,942	69,786
Goodwill and intangible assets	4,396	4,201
Investments accounted for using the equity method	117	89
Other financial assets	12,561	11,238
Deferred tax assets	2,734	2,775
Other non-current assets	657	532
Total non-current assets	93,410	88,624
Total assets	170,302	173,644

	(Millions of yen)	
	As of March 31, 2018	As of March 31, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,044	12,794
Borrowings	16,179	12,791
Other financial liabilities	128	152
Income taxes payable	2,784	2,704
Other current liabilities	6,006	6,604
Total current liabilities	41,143	35,046
Non-current liabilities		
Borrowings	365	19
Other financial liabilities	448	488
Defined benefit liability	2,027	2,144
Provisions	33	29
Deferred tax liabilities	7,086	8,129
Other non-current liabilities	297	258
Total non-current liabilities	10,258	11,069
Total liabilities	51,402	46,116
Equity		
Issued capital	4,175	4,175
Retained earnings	112,828	122,365
Treasury shares	(3,409)	(4,787)
Other components of equity	3,716	4,122
Total equity attributable to owners of parent	117,311	125,875
Non-controlling interests	1,589	1,652
Total equity	118,900	127,527
Total liabilities and equity	170,302	173,644

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Sales revenue	173,174	177,605
Cost of sales	(142,877)	(145,564)
Gross profit	30,297	32,041
Selling, general and administrative expenses	(15,070)	(15,496)
Other income	657	1,070
Other expense	(1,831)	(1,770)
Operating profit	14,052	15,843
Finance income	808	992
Finance costs	(763)	(299)
Share of profit (loss) in investments accounted for using the equity method	(13)	(32)
Profit before income taxes	14,083	16,503
Income tax expense	(4,160)	(4,537)
Profit	9,923	11,965
Profit attributable to		
Owners of parent	9,691	11,779
Non-controlling interests	231	186
Profit	9,923	11,965
Earnings per share		
(Attributable to owners of parent)		
Basic earnings per share (Yen)	193.11	235.05
Diluted earnings per share (Yen)	—	—

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	9,923	11,965
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	286	(30)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	–	(915)
Total	286	(945)
Components that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets	720	–
Exchange differences of foreign operations	(2,988)	1,356
Share of other comprehensive income of associates accounted for using equity method	(6)	3
Total	(2,274)	1,360
Total other comprehensive income	(1,988)	414
Comprehensive income	7,935	12,380
Comprehensive income attributable to		
Owners of parent	7,744	12,187
Non-controlling interests	190	192
Comprehensive income	7,935	12,380

(4) Consolidated statement of changes in equity

	Equity attributable to owners of parent				
	Issued capital	Retained earnings	Treasury shares	Other components of equity	
				Exchange differences of foreign operations	Changes in fair value of available-for-sale financial assets
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2017	4,175	104,908	(3,409)	1,792	4,156
Changes in accounting policies	—	—	—	—	—
Balance after restatement	—	—	—	—	—
Profit	—	9,691	—	—	—
Other comprehensive income	—	—	—	(2,949)	716
Total comprehensive income	—	9,691	—	(2,949)	716
Purchase of treasury shares	—	—	(0)	—	—
Dividends	—	(2,057)	—	—	—
Increase (decrease) through changes in interests	—	—	—	—	—
Transfer from other components of equity	—	286	—	—	—
Total transactions with the owners	—	(1,771)	(0)	—	—
Balance as of March 31, 2018	4,175	112,828	(3,409)	(1,156)	4,872
Changes in accounting policies	—	(37)	—	—	(4,872)
Balance after restatement	4,175	112,791	(3,409)	(1,156)	—
Profit	—	11,779	—	—	—
Other comprehensive income	—	—	—	1,344	—
Total comprehensive income	—	11,779	—	1,344	—
Purchase of treasury shares	—	—	(1,378)	—	—
Dividends	—	(2,208)	—	—	—
Increase (decrease) through changes in interests	—	—	—	—	—
Transfer from other components of equity	—	2	—	—	—
Total transactions with the owners	—	(2,205)	(1,378)	—	—
Balance as of March 31, 2019	4,175	122,365	(4,787)	187	—

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Changes in the fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2017	—	—	5,949	111,624	1,530	113,155
Changes in accounting policies	—	—	—	—	—	—
Balance after restatement	—	—	—	—	—	—
Profit	—	—	—	9,691	231	9,923
Other comprehensive income	—	286	(1,947)	(1,947)	(41)	(1,988)
Total comprehensive income	—	286	(1,947)	7,744	190	7,935
Purchase of treasury shares	—	—	—	(0)	—	(0)
Dividends	—	—	—	(2,057)	(131)	(2,189)
Increase (decrease) through changes in interests	—	—	—	—	—	—
Transfer from other components of equity	—	(286)	(286)	—	—	—
Total transactions with the owners	—	(286)	(286)	(2,057)	(131)	(2,189)
Balance as of March 31, 2018	—	—	3,716	117,311	1,589	118,900
Changes in accounting policies	4,872	—	—	(37)	—	(37)
Balance after restatement	4,872	—	3,716	117,274	1,589	118,863
Profit	—	—	—	11,779	186	11,965
Other comprehensive income	(905)	(30)	408	408	5	414
Total comprehensive income	(905)	(30)	408	12,187	192	12,380
Purchase of treasury shares	—	—	—	(1,378)	—	(1,378)
Dividends	—	—	—	(2,208)	(129)	(2,337)
Increase (decrease) through changes in interests	—	—	—	—	—	—
Transfer from other components of equity	(32)	30	(2)	—	—	—
Total transactions with the owners	(32)	30	(2)	(3,586)	(129)	(3,716)
Balance as of March 31, 2019	3,934	—	4,122	125,875	1,652	127,527

(5) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from (used in) operating activities		
Profit before income taxes	14,083	16,503
Depreciation and amortization expense	12,766	12,549
Impairment loss	1,454	1,601
Finance income and finance costs	(599)	(628)
Share of loss (profit) in investments accounted for using the equity method	13	32
Loss (gain) on sales and retirement of non-current assets	133	(87)
(Increase) decrease in inventories	(1,156)	(2,540)
(Increase) decrease in trade and other receivables	(2,619)	744
Increase (decrease) in trade and other payables	1,812	(2,490)
Increase (decrease) in defined benefit liability	331	204
Other	1,512	1,229
Subtotal	27,732	27,117
Interest and dividend income received	649	773
Interest expenses paid	(207)	(160)
Income taxes paid	(4,312)	(4,148)
Income taxes refund and interest on refund received	259	40
Net cash flows from (used in) operating activities	24,120	23,622
Cash flows from (used in) investing activities		
Payments into time deposits	(3,887)	(1,236)
Proceeds from withdrawal of time deposits	2,737	1,898
Purchase of property, plant and equipment	(14,199)	(10,277)
Proceeds from sales of property, plant and equipment	301	707
Purchase of intangible assets	(1,196)	(1,242)
Proceeds from sales of intangible assets	4	0
Payments for acquisition of newly consolidated subsidiaries	(791)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,828
Payments of loans receivable	(115)	(184)
Collection of loans receivable	196	159
Purchase of investments	(2,070)	(61)
Proceeds from sales of investments	—	44
Other	(100)	(331)
Net cash flows from (used in) investing activities	(19,122)	(8,695)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(365)	(4,130)
Purchase of treasury shares	(0)	(1,378)
Cash dividends paid	(2,058)	(2,209)
Cash dividends paid to non-controlling shareholders	(131)	(129)
Other	(101)	(133)
Net cash flows from (used in) financing activities	(2,657)	(7,981)
Net increase (decrease) in cash and cash equivalents	2,340	6,945
Cash and cash equivalents at beginning of period	23,474	25,230
Effect of exchange rate change on cash and cash equivalents	(584)	268
Cash and cash equivalents at end of period	25,230	32,444