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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 (under IFRS)

July 31, 2018

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <http://www.fcc-net.co.jp/>
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Scheduled date to file Quarterly Securities Report: August 9, 2018
 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, 2019 (from April 1, 2018 to June 30, 2018)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Sales 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, 2018	44,510	8.9	4,774	58.9	4,935	47.2	3,288	42.7	3,258	43.5	3,432	66.9
June 30, 2017	40,878	5.2	3,004	(17.3)	3,352	153.9	2,305	133.3	2,270	173.9	2,056	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2018	64.93	–
June 30, 2017	45.24	–

(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, 2018	171,606	121,146	119,609	69.7	2,383.22
March 31, 2018	170,302	118,900	117,311	68.9	2,337.43

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, 2018	–	21.00	–	21.00	42.00
Fiscal year ending March 31, 2019	–				
Fiscal year ending March 31, 2019 (Forecast)		23.00	–	23.00	46.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2018	86,000	5.0	6,200	(6.9)	6,500	(11.9)	4,700	(3.1)	4,600	(3.1)	91.66
Fiscal year ending March 31, 2019	175,000	1.1	14,500	3.2	14,800	5.1	10,600	6.8	10,400	7.3	207.22

Note: Revisions to the consolidated earnings forecasts 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: 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 June 30, 2018	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 June 30, 2018	2,455,889 shares
As of March 31, 2018	2,455,841 shares

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

For the three months ended June 30, 2018	50,188,144 shares
For the three months ended June 30, 2017	50,188,221 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, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and cash equivalents	25,230	26,706
Trade and other receivables	28,855	28,060
Other financial assets	2,339	1,375
Inventories	18,428	19,368
Other current assets	2,038	2,236
Total current assets	<u>76,892</u>	<u>77,748</u>
Non-current assets		
Property, plant and equipment	72,942	74,006
Goodwill and intangible assets	4,396	4,521
Investments accounted for using the equity method	117	107
Other financial assets	12,561	11,846
Deferred tax assets	2,734	2,742
Other non-current assets	657	634
Total non-current assets	<u>93,410</u>	<u>93,858</u>
Total assets	<u>170,302</u>	<u>171,606</u>

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,044	13,941
Borrowings	16,179	16,394
Other financial liabilities	128	135
Income taxes payable	2,784	3,243
Other current liabilities	6,006	6,135
Total current liabilities	41,143	39,850
Non-current liabilities		
Borrowings	365	226
Other financial liabilities	448	576
Defined benefit liability	2,027	1,961
Provisions	33	33
Deferred tax liabilities	7,086	7,514
Other non-current liabilities	297	298
Total non-current liabilities	10,258	10,609
Total liabilities	51,402	50,460
Equity		
Issued capital	4,175	4,175
Retained earnings	112,828	115,021
Treasury shares	(3,409)	(3,409)
Other components of equity	3,716	3,821
Total equity attributable to owners of parent	117,311	119,609
Non-controlling interests	1,589	1,536
Total equity	118,900	121,146
Total liabilities and equity	170,302	171,606

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Sales revenue	40,878	44,510
Cost of sales	(34,538)	(36,065)
Gross profit	6,340	8,445
Selling, general and administrative expenses	(3,499)	(3,881)
Other income	196	296
Other expense	(32)	(85)
Operating profit	3,004	4,774
Finance income	390	311
Finance costs	(40)	(141)
Share of profit (loss) in investments accounted for using the equity method	(2)	(9)
Profit before income taxes	3,352	4,935
Income tax expense	(1,047)	(1,646)
Profit	2,305	3,288
Profit attributable to		
Owners of parent	2,270	3,258
Non-controlling interests	34	30
Profit	2,305	3,288
Earnings per share (Attributable to owners of parent)		
Basic earnings per share (Yen)	45.24	64.93
Diluted earnings per share (Yen)	-	-

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	2,305	3,288
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0)	(7)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	-	(411)
Total	<u>(0)</u>	<u>(419)</u>
Components that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets	(237)	-
Exchange differences of foreign operations	(5)	561
Share of other comprehensive income of associates accounted for using equity method	(5)	1
Total	<u>(248)</u>	<u>562</u>
Total other comprehensive income	<u>(248)</u>	<u>143</u>
Comprehensive income	<u>2,056</u>	<u>3,432</u>
Comprehensive income attributable to		
Owners of parent	2,033	3,389
Non-controlling interests	23	43
Comprehensive income	<u>2,056</u>	<u>3,432</u>

(4) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2017

	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	-	2,270	-	-	-
Other comprehensive income	-	-	-	(4)	(233)
Total comprehensive income	-	2,270	-	(4)	(233)
Purchase of treasury shares	-	-	-	-	-
Dividends	-	(1,003)	-	-	-
Increase (decrease) through changes in interests	-	-	-	-	-
Transfer from other components of equity	-	(0)	-	-	-
Total transactions with the owners	-	(1,004)	-	-	-
Balance as of June 30, 2017	4,175	106,175	(3,409)	1,788	3,923

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Changes in the fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
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	-	-	-	2,270	34	2,305
Other comprehensive income	-	(0)	(237)	(237)	(10)	(248)
Total comprehensive income	-	(0)	(237)	2,033	23	2,056
Purchase of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	(1,003)	(0)	(1,004)
Increase (decrease) through changes in interests	-	-	-	-	-	-
Transfer from other components of equity	-	0	0	-	-	-
Total transactions with the owners	-	0	0	(1,003)	(0)	(1,004)
Balance as of June 30, 2017	-	-	5,711	112,653	1,553	114,207

Three months ended June 30, 2018

	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, 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	–	3,258	–	–	–
Other comprehensive income	–	–	–	543	–
Total comprehensive income	–	3,258	–	543	–
Purchase of treasury shares	–	–	(0)	–	–
Dividends	–	(1,053)	–	–	–
Increase (decrease) through changes in interests	–	–	–	–	–
Transfer from other components of equity	–	25	–	–	–
Total transactions with the owners	–	(1,028)	(0)	–	–
Balance as of June 30, 2018	4,175	115,021	(3,409)	(612)	–

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Changes in the fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 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	–	–	–	3,258	30	3,288
Other comprehensive income	(405)	(7)	130	130	12	143
Total comprehensive income	(405)	(7)	130	3,389	43	3,432
Purchase of treasury shares	–	–	–	(0)	–	(0)
Dividends	–	–	–	(1,053)	(96)	(1,150)
Increase (decrease) through changes in interests	–	–	–	–	–	–
Transfer from other components of equity	(32)	7	(25)	–	–	–
Total transactions with the owners	(32)	7	(25)	(1,054)	(96)	(1,150)
Balance as of June 30, 2018	4,434	–	3,821	119,609	1,536	121,146

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flows from (used in) operating activities		
Profit before income taxes	3,352	4,935
Depreciation and amortization expense	3,271	2,894
Finance income and finance costs	(159)	(159)
Share of loss (profit) in investments accounted for using the equity method	2	9
Loss (gain) on sales and retirement of non-current assets	2	54
(Increase) decrease in inventories	(447)	(1,204)
(Increase) decrease in trade and other receivables	1,146	999
Increase (decrease) in trade and other payables	1,677	(1,460)
Increase (decrease) in defined benefit liability	39	(72)
Other	(967)	368
Subtotal	7,918	6,364
Interest and dividend income received	182	190
Interest expenses paid	(61)	(69)
Income taxes paid	(785)	(943)
Net cash flows from (used in) operating activities	7,254	5,542
Cash flows from (used in) investing activities		
Payments into time deposits	(2,052)	(200)
Proceeds from withdrawal of time deposits	88	1,172
Purchase of property, plant and equipment	(2,884)	(3,464)
Proceeds from sales of property, plant and equipment	68	40
Purchase of intangible assets	(260)	(279)
Proceeds from sales of intangible assets	–	0
Payments of loans receivable	(33)	(56)
Collection of loans receivable	57	74
Purchase of investments	(14)	(11)
Other	(1)	(44)
Net cash flows from (used in) investing activities	(5,033)	(2,768)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	810	(231)
Purchase of treasury shares	–	(0)
Cash dividends paid	(985)	(1,038)
Cash dividends paid to non-controlling shareholders	(0)	(96)
Other	(30)	(32)
Net cash flows from (used in) financing activities	(207)	(1,398)
Net increase (decrease) in cash and cash equivalents	2,013	1,375
Cash and cash equivalents at beginning of period	23,474	25,230
Effect of exchange rate change on cash and cash equivalents	67	100
Cash and cash equivalents at end of period	25,555	26,706