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Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (under IFRS)

May 22, 2020

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <https://www.fcc-net.co.jp/>
 Representative: Toshimichi Matsuda, President and Representative Director
 Contact: Yasutaka Oishi, Operating Officer, Head of Management and Administration
 TEL: +81-53-523-2400

Scheduled date for holding ordinary general meeting of shareholders: June 23, 2020
 Scheduled date to commence dividend payments: June 24, 2020
 Scheduled date to file annual securities report: June 25, 2020
 Preparation of supplementary results briefing material on consolidated financial results: Yes
 Holding of financial results presentation meeting: No

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2020	171,060	(3.7)	7,896	(50.2)	6,653	(59.7)	4,028	(66.3)	3,921	(66.7)	(2,068)	—
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

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2020	78.92	—	3.2	4.0	4.6
March 31, 2019	235.05	—	9.7	9.6	8.9

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

For the fiscal year ended March 31, 2020: ¥(15) million

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

(2) Consolidated financial position

As of	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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2020	161,727	122,486	120,869	74.7	2,432.56
March 31, 2019	173,644	127,527	125,875	72.5	2,533.32

(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, 2020	25,079	(10,597)	(8,990)	35,350
March 31, 2019	23,622	(8,695)	(7,981)	32,444

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, 2019	–	23.00	–	29.00	52.00	2,595	22.1	2.1
March 31, 2020	–	29.00	–	29.00	58.00	2,881	73.5	2.3
Fiscal year ending March 31, 2021 (Forecast)	–	–	–	–	–		–	

(Note) The dividend forecast for the fiscal year ending March 31, 2021 is undetermined, as we are currently unable to provide a reasonably calculated forecast of the consolidated financial results for the fiscal year ending March 31, 2021.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2020 to March 31, 2021)

(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, 2020	–	–	–	–	–	–	–	–	–	–	–
Fiscal year ending March 31, 2021	–	–	–	–	–	–	–	–	–	–	–

(Note) We are currently unable to provide a reasonably calculated forecast of the consolidated financial results for the fiscal year ending March 31, 2021, due to impacts relating to the spread of COVID-19.

We will provide the forecasts of the consolidated financial results for the fiscal year ending March 31, 2021 as soon as they become available.

*** 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, 2020	52,644,030 shares
As of March 31, 2019	52,644,030 shares

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

As of March 31, 2020	2,956,099 shares
As of March 31, 2019	2,955,975 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2020	49,688,010 shares
Fiscal year ended March 31, 2019	50,114,124 shares

(Reference) Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2020
(from April 1, 2019 to March 31, 2020)**

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2020	38,337	(6.2)	(134)	–	2,503	(60.2)	(179)	–
March 31, 2019	40,850	3.0	1,671	(15.5)	6,295	6.8	5,237	129.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2020	(3.61)	–
March 31, 2019	104.52	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2020	82,768	65,953	79.7	1,327.36
March 31, 2019	90,681	70,041	77.2	1,409.63

Reference: Equity

For the fiscal year ended March 31, 2020: ¥65,953 million

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

We are currently unable to provide a reasonably calculated forecast of the consolidated financial results for the fiscal year ending March 31, 2021, due to impacts relating to the spread of COVID-19. We will provide the forecasts of the consolidated financial results for the fiscal year ending March 31, 2021 as soon as they become available.

How to obtain supplementary results briefing material on consolidated financial results

Supplementary earnings materials can be obtained via the following URL:

<https://www.fcc-net.co.jp/ir/>

Consolidated financial statements

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	32,444	35,350
Trade and other receivables	28,080	24,229
Other financial assets	1,625	2,114
Inventories	20,503	19,366
Other current assets	2,366	1,697
Total current assets	85,020	82,759
Non-current assets		
Property, plant and equipment	69,786	61,491
Goodwill and intangible assets	4,201	4,520
Investments accounted for using the equity method	89	63
Other financial assets	11,238	10,374
Deferred tax assets	2,775	2,388
Other non-current assets	532	129
Total non-current assets	88,624	78,968
Total assets	173,644	161,727

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,794	11,199
Borrowings	12,791	7,206
Other financial liabilities	152	345
Income taxes payable	2,704	2,133
Provisions	–	2,880
Other current liabilities	6,604	5,881
Total current liabilities	<u>35,046</u>	<u>29,645</u>
Non-current liabilities		
Borrowings	19	1
Other financial liabilities	488	1,189
Defined benefit liability	2,144	1,470
Provisions	29	29
Deferred tax liabilities	8,129	6,625
Other non-current liabilities	258	280
Total non-current liabilities	<u>11,069</u>	<u>9,596</u>
Total liabilities	<u>46,116</u>	<u>39,241</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	122,365	123,579
Treasury shares	(4,787)	(4,787)
Other components of equity	4,122	(2,098)
Total equity attributable to owners of parent	<u>125,875</u>	<u>120,869</u>
Non-controlling interests	1,652	1,617
Total equity	<u>127,527</u>	<u>122,486</u>
Total liabilities and equity	<u>173,644</u>	<u>161,727</u>

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Sales revenue	177,605	171,060
Cost of sales	(145,564)	(142,919)
Gross profit	32,041	28,141
Selling, general and administrative expenses	(15,496)	(15,813)
Other income	1,070	950
Other expense	(1,770)	(5,381)
Operating profit	15,843	7,896
Finance income	992	1,025
Finance costs	(299)	(2,253)
Share of profit (loss) in investments accounted for using the equity method	(32)	(15)
Profit before income taxes	16,503	6,653
Income tax expense	(4,537)	(2,624)
Profit	11,965	4,028
Profit attributable to		
Owners of parent	11,779	3,921
Non-controlling interests	186	106
Profit	11,965	4,028
Earnings per share (Attributable to owners of parent)		
Basic earnings per share (Yen)	235.05	78.92
Diluted earnings per share (Yen)	—	—

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	11,965	4,028
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(30)	166
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(915)	(912)
Total	<u>(945)</u>	<u>(745)</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	1,356	(5,343)
Share of other comprehensive income of associates accounted for using equity method	3	(8)
Total	<u>1,360</u>	<u>(5,351)</u>
Total other comprehensive income	<u>414</u>	<u>(6,097)</u>
Comprehensive income	<u>12,380</u>	<u>(2,068)</u>
Comprehensive income attributable to		
Owners of parent	12,187	(2,124)
Non-controlling interests	192	55
Comprehensive income	<u>12,380</u>	<u>(2,068)</u>

(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, 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)	–	–	–
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	–
Profit	–	3,921	–	–	–
Other comprehensive income	–	–	–	(5,310)	–
Total comprehensive income	–	3,921	–	(5,310)	–
Purchase of treasury shares	–	–	(0)	–	–
Dividends	–	(2,881)	–	–	–
Transfer from other components of equity	–	175	–	–	–
Total transactions with the owners	–	(2,706)	(0)	–	–
Balance as of March 31, 2020	4,175	123,579	(4,787)	(5,122)	–

Equity attributable to owners of parent						
Other components of equity						
	Changes in the fair value of financial assets measured at fair value through other comprehensive income	Remeasu- rements of defined benefit plans	Total	Total	Non- contro- lling interests	Total equity
	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	–	–	–	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)
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
Profit	–	–	–	3,921	106	4,028
Other comprehensive income	(901)	166	(6,045)	(6,045)	(51)	(6,097)
Total comprehensive income	(901)	166	(6,045)	(2,124)	55	(2,068)
Purchase of treasury shares	–	–	–	(0)	–	(0)
Dividends	–	–	–	(2,881)	(90)	(2,972)
Transfer from other components of equity	(8)	(166)	(175)	–	–	–
Total transactions with the owners	(8)	(166)	(175)	(2,882)	(90)	(2,972)
Balance as of March 31, 2020	3,024	–	(2,098)	120,869	1,617	122,486

(5) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from (used in) operating activities		
Profit before income taxes	16,503	6,653
Depreciation and amortization expense	12,549	13,838
Impairment loss	1,601	2,167
Finance income and finance costs	(628)	(959)
Share of loss (profit) in investments accounted for using the equity method	32	15
Loss (gain) on sales and retirement of non-current assets	(87)	9
(Increase) decrease in inventories	(2,540)	(503)
(Increase) decrease in trade and other receivables	744	2,413
Increase (decrease) in trade and other payables	(2,490)	189
Increase (decrease) in defined benefit liability	204	(236)
Increase (decrease) in provisions	–	2,880
Other	1,229	1,682
Subtotal	27,117	28,148
Interest and dividend income received	773	945
Interest expenses paid	(160)	(126)
Income taxes paid	(4,148)	(4,004)
Income taxes refund and interest on refund received	40	116
Net cash flows from (used in) operating activities	23,622	25,079
Cash flows from (used in) investing activities		
Payments into time deposits	(1,236)	(1,239)
Proceeds from withdrawal of time deposits	1,898	457
Purchase of property, plant and equipment	(10,277)	(8,584)
Proceeds from sales of property, plant and equipment	707	567
Purchase of intangible assets	(1,242)	(1,307)
Proceeds from sales of intangible assets	0	0
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,828	–
Payments of loans receivable	(184)	(119)
Collection of loans receivable	159	137
Purchase of investments	(61)	(482)
Proceeds from sales of investments	44	10
Other	(331)	(38)
Net cash flows from (used in) investing activities	(8,695)	(10,597)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(4,130)	(5,527)
Repayments of lease liabilities	–	(489)
Purchase of treasury shares	(1,378)	(0)
Cash dividends paid	(2,209)	(2,882)
Cash dividends paid to non-controlling shareholders	(129)	(90)
Other	(133)	–
Net cash flows from (used in) financing activities	(7,981)	(8,990)
Net increase (decrease) in cash and cash equivalents	6,945	5,491
Cash and cash equivalents at beginning of period	25,230	32,444
Effect of exchange rate change on cash and cash equivalents	268	(2,585)
Cash and cash equivalents at end of period	32,444	35,350