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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 (under IFRS)

July 31, 2019

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 8, 2019
 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, 2020 (from April 1, 2019 to June 30, 2019)

(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, 2019	43,438	(2.4)	3,697	(22.6)	3,143	(36.3)	2,522	(23.3)	2,470	(24.2)	(426)	–
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

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	49.73	–
June 30, 2018	64.93	–

(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, 2019	169,351	125,618	124,003	73.2	2,495.65
March 31, 2019	173,644	127,527	125,875	72.5	2,533.32

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, 2019	–	23.00	–	29.00	52.00
Fiscal year ending March 31, 2020	–				
Fiscal year ending March 31, 2020 (Forecast)		29.00	–	29.00	58.00

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

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.)

	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

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, 2019	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 June 30, 2019	2,955,975 shares
As of March 31, 2019	2,955,975 shares

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

For the three months ended June 30, 2019	49,688,055 shares
For the three months ended June 30, 2018	50,188,144 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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	32,444	30,804
Trade and other receivables	28,080	27,040
Other financial assets	1,625	1,735
Inventories	20,503	21,004
Other current assets	2,366	2,553
Total current assets	<u>85,020</u>	<u>83,140</u>
Non-current assets		
Property, plant and equipment	69,786	68,020
Goodwill and intangible assets	4,201	4,328
Investments accounted for using the equity method	89	90
Other financial assets	11,238	10,874
Deferred tax assets	2,775	2,767
Other non-current assets	532	129
Total non-current assets	<u>88,624</u>	<u>86,211</u>
Total assets	<u>173,644</u>	<u>169,351</u>

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,794	13,223
Borrowings	12,791	10,585
Other financial liabilities	152	468
Income taxes payable	2,704	2,526
Other current liabilities	6,604	5,880
Total current liabilities	<u>35,046</u>	<u>32,683</u>
Non-current liabilities		
Borrowings	19	15
Other financial liabilities	488	918
Defined benefit liability	2,144	2,152
Provisions	29	29
Deferred tax liabilities	8,129	7,682
Other non-current liabilities	258	250
Total non-current liabilities	<u>11,069</u>	<u>11,048</u>
Total liabilities	<u>46,116</u>	<u>43,732</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	122,365	123,400
Treasury shares	(4,787)	(4,787)
Other components of equity	4,122	1,214
Total equity attributable to owners of parent	<u>125,875</u>	<u>124,003</u>
Non-controlling interests	1,652	1,614
Total equity	<u>127,527</u>	<u>125,618</u>
Total liabilities and equity	<u>173,644</u>	<u>169,351</u>

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Revenue	44,510	43,438
Cost of sales	(36,065)	(36,006)
Gross profit	8,445	7,431
Selling, general and administrative expenses	(3,881)	(3,901)
Other income	296	192
Other expense	(85)	(24)
Operating profit	4,774	3,697
Finance income	311	309
Finance costs	(141)	(860)
Share of profit (loss) in investments accounted for using the equity method	(9)	(3)
Profit before income taxes	4,935	3,143
Income tax expense	(1,646)	(620)
Profit	3,288	2,522
Profit attributable to		
Owners of parent	3,258	2,470
Non-controlling interests	30	51
Profit	3,288	2,522
Earnings per share (Attributable to owners of parent)		
Basic earnings per share (Yen)	64.93	49.73
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	3,288	2,522
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(7)	(2)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(411)	(310)
Total	<u>(419)</u>	<u>(312)</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	561	(2,646)
Share of other comprehensive income of associates accounted for using equity method	1	9
Total	<u>562</u>	<u>(2,636)</u>
Total other comprehensive income	<u>143</u>	<u>(2,949)</u>
Comprehensive income	<u>3,432</u>	<u>(426)</u>
Comprehensive income attributable to		
Owners of parent	3,389	(430)
Non-controlling interests	43	4
Comprehensive income	<u>3,432</u>	<u>(426)</u>

(4) Condensed quarterly consolidated statement of changes in equity

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)	–	–	–
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	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	
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)
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

Three months ended June 30, 2019

	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, 2019	4,175	122,365	(4,787)	187	–
Profit	–	2,470	–	–	–
Other comprehensive income	–	–	–	(2,592)	–
Total comprehensive income	–	2,470	–	(2,592)	–
Purchase of treasury shares	–	–	–	–	–
Dividends	–	(1,440)	–	–	–
Transfer from other components of equity	–	5	–	–	–
Total transactions with the owners	–	(1,435)	–	–	–
Balance as of June 30, 2019	4,175	123,400	(4,787)	(2,404)	–

	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, 2019	3,934	–	4,122	125,875	1,652	127,527
Profit	–	–	–	2,470	51	2,522
Other comprehensive income	(306)	(2)	(2,901)	(2,901)	(47)	(2,949)
Total comprehensive income	(306)	(2)	(2,901)	(430)	4	(426)
Purchase of treasury shares	–	–	–	–	–	–
Dividends	–	–	–	(1,440)	(41)	(1,482)
Transfer from other components of equity	(8)	2	(5)	–	–	–
Total transactions with the owners	(8)	2	(5)	(1,440)	(41)	(1,482)
Balance as of June 30, 2019	3,619	–	1,214	124,003	1,614	125,618

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from (used in) operating activities		
Profit before income taxes	4,935	3,143
Depreciation and amortization expense	2,894	3,348
Finance income and finance costs	(159)	(255)
Share of loss (profit) in investments accounted for using the equity method	9	3
Loss (gain) on sales and retirement of non-current assets	54	(7)
(Increase) decrease in inventories	(1,204)	(1,104)
(Increase) decrease in trade and other receivables	999	310
Increase (decrease) in trade and other payables	(1,460)	1,042
Increase (decrease) in defined benefit liability	(72)	34
Other	368	100
Subtotal	6,364	6,617
Interest and dividend income received	190	284
Interest expenses paid	(69)	(91)
Income taxes paid	(943)	(1,218)
Net cash flows from (used in) operating activities	5,542	5,591
Cash flows from (used in) investing activities		
Payments into time deposits	(200)	(468)
Proceeds from withdrawal of time deposits	1,172	266
Purchase of property, plant and equipment	(3,464)	(1,864)
Proceeds from sales of property, plant and equipment	40	63
Purchase of intangible assets	(279)	(312)
Proceeds from sales of intangible assets	0	-
Payments of loans receivable	(56)	(21)
Collection of loans receivable	74	41
Purchase of investments	(11)	(182)
Other	(44)	(17)
Net cash flows from (used in) investing activities	(2,768)	(2,495)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(231)	(2,119)
Repayments of lease liabilities	-	(96)
Purchase of treasury shares	(0)	-
Cash dividends paid	(1,038)	(1,420)
Cash dividends paid to non-controlling shareholders	(96)	(41)
Other	(32)	-
Net cash flows from (used in) financing activities	(1,398)	(3,677)
Net increase (decrease) in cash and cash equivalents	1,375	(581)
Cash and cash equivalents at beginning of period	25,230	32,444
Effect of exchange rate change on cash and cash equivalents	100	(1,058)
Cash and cash equivalents at end of period	26,706	30,804