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Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (under IFRS)

April 28, 2021

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
 URL: <https://www.fcc-net.co.jp/>
 Representative: Yoshitaka Saito, 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 22, 2021

Scheduled date to commence dividend payments: June 23, 2021

Scheduled date to file annual securities report: June 24, 2021

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, 2021 (from April 1, 2020 to March 31, 2021)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended												
March 31, 2021	146,157	(14.6)	6,966	(11.8)	8,313	25.0	4,644	15.3	4,462	13.8	12,067	—
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)	—

	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, 2021	89.81	—	3.6	4.9	4.8
March 31, 2020	78.92	—	3.2	4.0	4.6

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

For the fiscal year ended March 31, 2021: ¥(19) million

For the fiscal year ended March 31, 2020: ¥(15) 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, 2021	175,644	131,996	130,239	74.1	2,621.16
March 31, 2020	161,727	122,486	120,869	74.7	2,432.56

(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, 2021	12,971	(8,522)	(3,175)	39,607
March 31, 2020	25,079	(10,597)	(8,990)	35,350

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, 2020	—	29.00	—	29.00	58.00	2,881	73.5	2.3
March 31, 2021	—	20.00	—	20.00	40.00	1,987	44.5	1.6
Fiscal year ending March 31, 2022 (Forecast)	—	26.00	—	26.00	52.00		27.2	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2021	83,000	39.9	6,000	—	6,200	—	4,100	—	4,000	—	80.50
Fiscal year ending March 31, 2022	168,000	14.9	13,500	93.8	14,000	68.4	9,700	108.8	9,500	112.9	191.19

*** 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 March 31, 2021	52,644,030 shares
As of March 31, 2020	52,644,030 shares

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

As of March 31, 2021	2,956,232 shares
As of March 31, 2020	2,956,099 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2021	49,687,904 shares
Fiscal year ended March 31, 2020	49,688,010 shares

(Reference) Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2021
(from April 1, 2020 to March 31, 2021)**

(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, 2021	34,224	(10.7)	(1,511)	—	3,175	26.9	1,050	—
March 31, 2020	38,337	(6.2)	(134)	—	2,503	(60.2)	(179)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	21.15	—
March 31, 2020	(3.61)	—

(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, 2021	80,133	66,153	82.6	1,331.38
March 31, 2020	82,768	65,953	79.7	1,327.36

Reference: Equity

For the fiscal year ended March 31, 2021: ¥66,153 million

For the fiscal year ended March 31, 2020: ¥65,953 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 13, 2021. 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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	35,350	39,607
Trade and other receivables	24,229	31,710
Other financial assets	2,114	4,493
Inventories	19,366	21,276
Other current assets	1,697	2,459
Total current assets	82,759	99,548
Non-current assets		
Property, plant and equipment	61,491	57,570
Goodwill and intangible assets	4,520	3,934
Investments accounted for using the equity method	63	152
Other financial assets	10,374	12,076
Deferred tax assets	2,388	2,213
Other non-current assets	129	148
Total non-current assets	78,968	76,096
Total assets	161,727	175,644

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	11,199	16,000
Borrowings	7,206	7,208
Other financial liabilities	345	492
Income taxes payable	2,133	2,217
Provisions	2,880	—
Other current liabilities	5,881	7,418
Total current liabilities	<u>29,645</u>	<u>33,336</u>
Non-current liabilities		
Borrowings	1	—
Other financial liabilities	1,189	1,238
Defined benefit liability	1,470	1,251
Provisions	29	29
Deferred tax liabilities	6,625	7,331
Other non-current liabilities	280	460
Total non-current liabilities	<u>9,596</u>	<u>10,311</u>
Total liabilities	<u>39,241</u>	<u>43,648</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	123,579	125,943
Treasury shares	(4,787)	(4,788)
Other components of equity	(2,098)	4,908
Total equity attributable to owners of parent	<u>120,869</u>	<u>130,239</u>
Non-controlling interests	<u>1,617</u>	<u>1,756</u>
Total equity	<u>122,486</u>	<u>131,996</u>
Total liabilities and equity	<u>161,727</u>	<u>175,644</u>

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Sales revenue	171,060	146,157
Cost of sales	(142,919)	(123,291)
Gross profit	28,141	22,866
Selling, general and administrative expenses	(15,813)	(15,624)
Other income	950	851
Other expense	(5,381)	(1,126)
Operating profit	7,896	6,966
Finance income	1,025	1,396
Finance costs	(2,253)	(29)
Share of profit (loss) in investments accounted for using the equity method	(15)	(19)
Profit before income taxes	6,653	8,313
Income tax expense	(2,624)	(3,668)
Profit	4,028	4,644
Profit attributable to		
Owners of parent	3,921	4,462
Non-controlling interests	106	182
Profit	4,028	4,644
Earnings per share (Attributable to owners of parent)		
Basic earnings per share (Yen)	78.92	89.81
Diluted earnings per share (Yen)	—	—

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	4,028	4,644
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	166	334
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(912)	1,532
Total	<u>(745)</u>	<u>1,867</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	(5,343)	5,575
Share of other comprehensive income of associates accounted for using equity method	(8)	(19)
Total	<u>(5,351)</u>	<u>5,555</u>
Total other comprehensive income	<u>(6,097)</u>	<u>7,423</u>
Comprehensive income	<u>(2,068)</u>	<u>12,067</u>
Comprehensive income attributable to		
Owners of parent	(2,124)	11,805
Non-controlling interests	55	262
Comprehensive income	<u>(2,068)</u>	<u>12,067</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 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, 2019	4,175	122,365	(4,787)	187	3,934
Profit	—	3,921	—	—	—
Other comprehensive income	—	—	—	(5,310)	(901)
Total comprehensive income	—	3,921	—	(5,310)	(901)
Purchase of treasury shares	—	—	(0)	—	—
Dividends	—	(2,881)	—	—	—
Transfer from other components of equity	—	175	—	—	(8)
Total transactions with the owners	—	(2,706)	(0)	—	(8)
Balance as of March 31, 2020	4,175	123,579	(4,787)	(5,122)	3,024
Profit	—	4,462	—	—	—
Other comprehensive income	—	—	—	5,490	1,517
Total comprehensive income	—	4,462	—	5,490	1,517
Purchase of treasury shares	—	—	(0)	—	—
Dividends	—	(2,434)	—	—	—
Transfer from other components of equity	—	335	—	—	(0)
Total transactions with the owners	—	(2,098)	(0)	—	(0)
Balance as of March 31, 2021	4,175	125,943	(4,788)	367	4,541

	Equity attributable to owners of parent				
	Other components of equity			Non-controlling interests	Total equity
	Remeasurements of defined benefit plans	Total	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2019	–	4,122	125,875	1,652	127,527
Profit	–	–	3,921	106	4,028
Other comprehensive income	166	(6,045)	(6,045)	(51)	(6,097)
Total comprehensive income	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	(166)	(175)	–	–	–
Total transactions with the owners	(166)	(175)	(2,882)	(90)	(2,972)
Balance as of March 31, 2020	–	(2,098)	120,869	1,617	122,486
Profit	–	–	4,462	182	4,644
Other comprehensive income	334	7,343	7,343	79	7,423
Total comprehensive income	334	7,343	11,805	262	12,067
Purchase of treasury shares	–	–	(0)	–	(0)
Dividends	–	–	(2,434)	(123)	(2,557)
Transfer from other components of equity	(334)	(335)	–	–	–
Total transactions with the owners	(334)	(335)	(2,434)	(123)	(2,558)
Balance as of March 31, 2021	–	4,908	130,239	1,756	131,996

(5) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from (used in) operating activities		
Profit before income taxes	6,653	8,313
Depreciation and amortization expense	13,838	13,567
Impairment loss	2,167	777
Finance income and finance costs	(959)	(918)
Share of loss (profit) in investments accounted for using the equity method	15	19
Loss (gain) on sales and retirement of non-current assets	9	11
Decrease (Increase) in inventories	(503)	(655)
Decrease (Increase) in trade and other receivables	2,413	(5,989)
Increase (decrease) in trade and other payables	189	3,247
Increase (decrease) in defined benefit liability	(236)	26
Increase (decrease) in provisions	2,880	(2,880)
Other	1,682	526
Subtotal	28,148	16,046
Interest and dividend income received	945	965
Interest expenses paid	(126)	(50)
Income taxes paid	(4,004)	(3,999)
Income taxes refund and interest on refund received	116	9
Net cash flows from (used in) operating activities	25,079	12,971
Cash flows from (used in) investing activities		
Payments into time deposits	(1,239)	(2,456)
Proceeds from withdrawal of time deposits	457	1,203
Purchase of property, plant and equipment	(8,584)	(5,488)
Proceeds from sales of property, plant and equipment	567	130
Purchase of intangible assets	(1,307)	(1,449)
Proceeds from sales of intangible assets	0	—
Purchase of investments in associates	—	(108)
Payments of loans receivable	(119)	(163)
Collection of loans receivable	137	142
Purchase of investments	(482)	(1,231)
Proceeds from sales and redemption of investments	10	1,876
Other	(38)	(977)
Net cash flows from (used in) investing activities	(10,597)	(8,522)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(5,527)	(18)
Repayments of lease liabilities	(489)	(599)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,882)	(2,434)
Cash dividends paid to non-controlling shareholders	(90)	(123)
Net cash flows from (used in) financing activities	(8,990)	(3,175)
Net increase (decrease) in cash and cash equivalents	5,491	1,273
Cash and cash equivalents at beginning of period	32,444	35,350
Effect of exchange rate change on cash and cash equivalents	(2,585)	2,983
Cash and cash equivalents at end of period	35,350	39,607