

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 (under IFRS)

November 4, 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 to file Quarterly Securities Report: November 12, 2021

Scheduled date to commence dividend payments: November 26, 2021

Preparation of supplementary results briefing material on quarterly financial results: Yes

Holding of quarterly 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 Second quarter of the fiscal year ending March 31, 2022 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended												
September 30, 2021	79,370	33.8	5,563	–	5,964	–	4,204	–	4,144	–	5,017	491.1
September 30, 2020	59,324	(33.0)	(277)	–	(248)	–	39	(99.2)	(35)	–	848	(58.5)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	83.41	–
September 30, 2020	(0.71)	–

(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
September 30, 2021	176,647	135,912	134,186	76.0	2,699.82
March 31, 2021	175,644	131,996	130,239	74.1	2,621.16

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, 2021	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2022	–	26.00			
Fiscal year ending March 31, 2022 (Forecast)			–	26.00	52.00

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

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.)

	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
Fiscal year ending March 31, 2022	167,000	14.3	12,000	72.3	12,800	54.0	9,000	93.8	8,800	97.2	177.07

Note: Revisions to the consolidated earnings forecast most recently announced: Yes

*** 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 September 30, 2021	52,644,030 shares
As of March 31, 2021	52,644,030 shares

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

As of September 30, 2021	2,941,842 shares
As of March 31, 2021	2,956,232 shares

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

For the six months ended September 30, 2021	49,693,489 shares
For the six months ended September 30, 2020	49,687,931 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.

How to obtain supplementary results briefing material on quarterly financial results

The Company plans to hold a quarterly financial results presentation meeting on November 10, 2021.

The Company also plans to post to its website the materials that are used at the meeting on the same day.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	39,607	41,648
Trade and other receivables	31,710	27,222
Other financial assets	4,493	4,106
Inventories	21,276	25,451
Other current assets	2,459	2,840
Total current assets	99,548	101,268
Non-current assets		
Property, plant and equipment	57,570	55,658
Goodwill and intangible assets	3,934	3,910
Investments accounted for using the equity method	152	163
Other financial assets	12,076	13,081
Deferred tax assets	2,213	2,428
Other non-current assets	148	136
Total non-current assets	76,096	75,379
Total assets	175,644	176,647

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,000	15,135
Borrowings	7,208	6,100
Other financial liabilities	492	402
Income taxes payable	2,217	2,185
Other current liabilities	7,418	6,425
Total current liabilities	33,336	30,249
Non-current liabilities		
Other financial liabilities	1,238	1,295
Defined benefit liability	1,251	1,465
Provisions	29	29
Deferred tax liabilities	7,331	7,336
Other non-current liabilities	460	359
Total non-current liabilities	10,311	10,485
Total liabilities	43,648	40,735
Equity		
Issued capital	4,175	4,175
Retained earnings	125,943	129,095
Treasury shares	(4,788)	(4,764)
Other components of equity	4,908	5,680
Total equity attributable to owners of parent	130,239	134,186
Non-controlling interests	1,756	1,725
Total equity	131,996	135,912
Total liabilities and equity	175,644	176,647

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenue	59,324	79,370
Cost of sales	(52,373)	(65,441)
Gross profit	6,951	13,928
Selling, general and administrative expenses	(7,504)	(8,520)
Other income	508	253
Other expense	(233)	(98)
Operating profit (loss)	(277)	5,563
Finance income	545	453
Finance costs	(506)	(49)
Share of profit (loss) in investments accounted for using the equity method	(9)	(3)
Profit (loss) before income taxes	(248)	5,964
Income tax expense	287	(1,759)
Profit	39	4,204
Profit attributable to		
Owners of parent	(35)	4,144
Non-controlling interests	74	59
Profit	39	4,204
Earnings (loss) per share (Attributable to owners of parent)		
Basic earnings (loss) per share (Yen)	(0.71)	83.41
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	39	4,204
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	16	0
Changes in the fair value of financial assets measured at fair value through other comprehensive income	225	117
Total	<u>241</u>	<u>117</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	581	696
Share of other comprehensive income of associates accounted for using equity method	(13)	(0)
Total	<u>567</u>	<u>695</u>
Total other comprehensive income	<u>809</u>	<u>812</u>
Comprehensive income	<u>848</u>	<u>5,017</u>
Comprehensive income attributable to		
Owners of parent	779	4,918
Non-controlling interests	68	98
Comprehensive income	<u>848</u>	<u>5,017</u>

(4) Condensed quarterly consolidated statement of changes in equity
Six months ended September 30, 2020

	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, 2020	4,175	123,579	(4,787)	(5,122)	3,024
Profit	–	(35)	–	–	–
Other comprehensive income	–	–	–	574	225
Total comprehensive income	–	(35)	–	574	225
Purchase of treasury shares	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	–
Dividends	–	(1,440)	–	–	–
Transfer from other components of equity	–	16	–	–	–
Total transactions with the owners	–	(1,424)	–	–	–
Balance as of September 30, 2020	4,175	122,119	(4,787)	(4,548)	3,249

	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, 2020	–	(2,098)	120,869	1,617	122,486
Profit	–	–	(35)	74	39
Other comprehensive income	16	815	815	(5)	809
Total comprehensive income	16	815	779	68	848
Purchase of treasury shares	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	–
Dividends	–	–	(1,440)	(123)	(1,564)
Transfer from other components of equity	(16)	(16)	–	–	–
Total transactions with the owners	(16)	(16)	(1,440)	(123)	(1,564)
Balance as of September 30, 2020	–	(1,299)	120,208	1,563	121,771

Six months ended September 30, 2021

	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, 2021	4,175	125,943	(4,788)	367	4,541
Profit	–	4,144	–	–	–
Other comprehensive income	–	–	–	657	115
Total comprehensive income	–	4,144	–	657	115
Purchase of treasury shares	–	–	(0)	–	–
Disposal of treasury shares	–	(0)	23	–	–
Dividends	–	(993)	–	–	–
Transfer from other components of equity	–	1	–	–	(1)
Total transactions with the owners	–	(993)	23	–	(1)
Balance as of September 30, 2021	4,175	129,095	(4,764)	1,025	4,655

	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, 2021	–	4,908	130,239	1,756	131,996
Profit	–	–	4,144	59	4,204
Other comprehensive income	0	773	773	39	812
Total comprehensive income	0	773	4,918	98	5,017
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	22	–	22
Dividends	–	–	(993)	(129)	(1,123)
Transfer from other components of equity	(0)	(1)	–	–	–
Total transactions with the owners	(0)	(1)	(971)	(129)	(1,101)
Balance as of September 30, 2021	–	5,680	134,186	1,725	135,912

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from (used in) operating activities		
Profit (loss) before income taxes	(248)	5,964
Depreciation and amortization expense	6,577	6,329
Finance income and finance costs	(402)	(443)
Share of loss (profit) in investments accounted for using the equity method	9	3
Loss (gain) on sales and retirement of non-current assets	5	12
Decrease (Increase) in inventories	(353)	(4,073)
Decrease (Increase) in trade and other receivables	(3,288)	4,438
Increase (decrease) in trade and other payables	4,567	(683)
Increase (decrease) in defined benefit liability	108	189
Increase (decrease) in provisions	(2,880)	–
Other	1,092	(1,021)
Subtotal	5,187	10,714
Interest and dividend income received	391	355
Interest expenses paid	(38)	(15)
Income taxes paid	(1,895)	(2,672)
Income taxes refund and interest on refund received	9	495
Net cash flows from (used in) operating activities	3,655	8,878
Cash flows from (used in) investing activities		
Payments into time deposits	(1,748)	(1,255)
Proceeds from withdrawal of time deposits	360	1,261
Purchase of property, plant and equipment	(2,655)	(3,732)
Proceeds from sales of property, plant and equipment	78	107
Purchase of intangible assets	(812)	(566)
Purchase of investments in associates	(106)	–
Payments of loans receivable	(67)	(52)
Collection of loans receivable	55	60
Purchase of investments	(162)	(214)
Proceeds from sales and redemption of investments	–	1
Other	32	(16)
Net cash flows from (used in) investing activities	(5,027)	(4,406)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(9)	(1,093)
Repayments of lease liabilities	(259)	(365)
Purchase of treasury shares	–	(0)
Cash dividends paid	(1,440)	(993)
Cash dividends paid to non-controlling shareholders	(123)	(129)
Net cash flows from (used in) financing activities	(1,832)	(2,582)
Net increase (decrease) in cash and cash equivalents	(3,204)	1,888
Cash and cash equivalents at beginning of period	35,350	39,607
Effect of exchange rate change on cash and cash equivalents	673	151
Cash and cash equivalents at end of period	32,819	41,648