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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (under IFRS)

May 11, 2022

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
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Scheduled date for holding ordinary general meeting of shareholders: June 21, 2022

Scheduled date to commence dividend payments: June 22, 2022

Scheduled date to file annual securities report: June 23, 2022

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, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	170,971	17.0	10,051	44.3	11,944	43.7	8,681	86.9	8,551	91.6	18,929	56.9
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	—

	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 revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	172.07	—	6.2	6.4	5.9
March 31, 2021	89.81	—	3.6	4.9	4.8

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

For the fiscal year ended March 31, 2022: ¥(11) million

For the fiscal year ended March 31, 2021: ¥(19) 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, 2022	195,364	148,532	146,625	75.1	2,950.09
March 31, 2021	175,644	131,996	130,239	74.1	2,621.16

(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, 2022	15,456	(9,627)	(4,202)	44,627
March 31, 2021	12,971	(8,522)	(3,175)	39,607

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, 2021	—	20.00	—	20.00	40.00	1,987	44.5	1.6
March 31, 2022	—	26.00	—	26.00	52.00	2,584	30.2	1.9
Fiscal year ending March 31, 2023 (Forecast)	—	26.00	—	26.00	52.00		28.7	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2022	94,000	18.4	5,500	(1.1)	5,800	(2.7)	3,800	(9.6)	3,800	(8.3)	76.46
Fiscal year ending March 31, 2023	194,000	13.5	13,000	29.3	13,600	13.9	9,100	4.8	9,000	5.2	181.08

*** 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, 2022	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 March 31, 2022	2,941,879 shares
As of March 31, 2021	2,956,232 shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2022	49,697,818 shares
Fiscal year ended March 31, 2021	49,687,904 shares

(Reference) Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2022
(from April 1, 2021 to March 31, 2022)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	39,256	14.7	38	—	5,575	75.6	4,292	308.4
March 31, 2021	34,224	(10.7)	(1,511)	—	3,175	26.9	1,050	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	86.37	—
March 31, 2021	21.15	—

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	82,921	68,283	82.3	1,373.85
March 31, 2021	80,133	66,153	82.6	1,331.38

Reference: Equity

For the fiscal year ended March 31, 2022: ¥68,283 million

For the fiscal year ended March 31, 2021: ¥66,153 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 17, 2022. The Company also plans to post to its website the materials that are used at the meeting on the same day.

Consolidated financial statements

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	39,607	44,627
Trade and other receivables	31,710	34,203
Other financial assets	4,493	2,413
Inventories	21,276	30,780
Other current assets	2,459	2,985
Total current assets	99,548	115,010
Non-current assets		
Property, plant and equipment	57,570	60,029
Goodwill and intangible assets	3,934	3,805
Investments accounted for using the equity method	152	168
Other financial assets	12,076	13,607
Deferred tax assets	2,213	2,595
Other non-current assets	148	146
Total non-current assets	76,096	80,354
Total assets	175,644	195,364

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,000	18,254
Borrowings	7,208	6,100
Other financial liabilities	492	385
Income taxes payable	2,217	2,125
Provisions	—	1,669
Other current liabilities	7,418	7,042
Total current liabilities	33,336	35,577
Non-current liabilities		
Other financial liabilities	1,238	1,260
Defined benefit liability	1,251	1,644
Provisions	29	14
Deferred tax liabilities	7,331	7,973
Other non-current liabilities	460	362
Total non-current liabilities	10,311	11,255
Total liabilities	43,648	46,832
Equity		
Issued capital	4,175	4,175
Retained earnings	125,943	132,252
Treasury shares	(4,788)	(4,764)
Other components of equity	4,908	14,962
Total equity attributable to owners of parent	130,239	146,625
Non-controlling interests	1,756	1,906
Total equity	131,996	148,532
Total liabilities and equity	175,644	195,364

(2) Consolidated statement of income

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	146,157	170,971
Cost of sales	(123,291)	(143,234)
Gross profit	22,866	27,737
Selling, general and administrative expenses	(15,624)	(17,867)
Other income	851	626
Other expense	(1,126)	(445)
Operating profit	6,966	10,051
Finance income	1,396	1,928
Finance costs	(29)	(23)
Share of profit (loss) in investments accounted for using the equity method	(19)	(11)
Profit before income taxes	8,313	11,944
Income tax expense	(3,668)	(3,263)
Profit	4,644	8,681
Profit attributable to		
Owners of parent	4,462	8,551
Non-controlling interests	182	130
Profit	4,644	8,681
Earnings per share		
(Attributable to owners of parent)		
Basic earnings per share (Yen)	89.81	172.07
Diluted earnings per share (Yen)	—	—

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	4,644	8,681
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	334	43
Changes in the fair value of financial assets measured at fair value through other comprehensive income	1,532	(56)
Total	1,867	(13)
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	5,575	10,271
Share of other comprehensive income of associates accounted for using equity method	(19)	(10)
Total	5,555	10,261
Total other comprehensive income	7,423	10,248
Comprehensive income	12,067	18,929
Comprehensive income attributable to		
Owners of parent	11,805	18,649
Non-controlling interests	262	280
Comprehensive income	12,067	18,929

(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, 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)	—	—
Disposal of treasury shares	—	—	—	—	—
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
Profit	—	8,551	—	—	—
Other comprehensive income	—	—	—	10,113	(58)
Total comprehensive income	—	8,551	—	10,113	(58)
Purchase of treasury shares	—	—	(0)	—	—
Disposal of treasury shares	—	(0)	23	—	—
Dividends	—	(2,286)	—	—	—
Transfer from other components of equity	—	44	—	—	(1)
Total transactions with the owners	—	(2,242)	23	—	(1)
Balance as of March 31, 2022	4,175	132,252	(4,764)	10,480	4,481

	Equity attributable to owners of parent				
	Other components of equity				
	Remeas- urements 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
Balance as of April 1, 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)
Disposal of treasury shares	—	—	—	—	—
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
Profit	—	—	8,551	130	8,681
Other comprehensive income	43	10,098	10,098	149	10,248
Total comprehensive income	43	10,098	18,649	280	18,929
Purchase of treasury shares	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	22	—	22
Dividends	—	—	(2,286)	(129)	(2,415)
Transfer from other components of equity	(43)	(44)	—	—	—
Total transactions with the owners	(43)	(44)	(2,263)	(129)	(2,393)
Balance as of March 31, 2022	—	14,962	146,625	1,906	148,532

(5) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from (used in) operating activities		
Profit before income taxes	8,313	11,944
Depreciation and amortization expense	13,557	12,803
Impairment loss	777	—
Finance income and finance costs	(918)	(1,571)
Share of loss (profit) in investments accounted for using the equity method	19	11
Loss (gain) on sales and retirement of non-current assets	11	174
Decrease (Increase) in inventories	(655)	(6,814)
Decrease (Increase) in trade and other receivables	(5,989)	247
Increase (decrease) in trade and other payables	3,247	127
Increase (decrease) in defined benefit liability	26	260
Increase (decrease) in provisions	(2,880)	1,669
Other	536	(289)
Subtotal	16,046	18,563
Interest and dividend income received	965	752
Interest expenses paid	(50)	(24)
Income taxes paid	(3,999)	(4,344)
Income taxes refund and interest on refund received	9	508
Net cash flows from (used in) operating activities	12,971	15,456
Cash flows from (used in) investing activities		
Payments into time deposits	(2,456)	(2,040)
Proceeds from withdrawal of time deposits	1,203	2,519
Purchase of property, plant and equipment	(5,488)	(9,859)
Proceeds from sales of property, plant and equipment	130	198
Purchase of intangible assets	(1,449)	(1,048)
Purchase of investments in associates	(108)	—
Payments of loans receivable	(163)	(78)
Collection of loans receivable	142	111
Purchase of investments	(1,231)	(364)
Proceeds from sales and redemption of investments	1,876	954
Other	(977)	(20)
Net cash flows from (used in) investing activities	(8,522)	(9,627)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(18)	(1,093)
Repayments of lease liabilities	(599)	(693)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,434)	(2,285)
Cash dividends paid to non-controlling shareholders	(123)	(129)
Net cash flows from (used in) financing activities	(3,175)	(4,202)
Net increase (decrease) in cash and cash equivalents	1,273	1,625
Cash and cash equivalents at beginning of period	35,350	39,607
Effect of exchange rate change on cash and cash equivalents	2,983	3,393
Cash and cash equivalents at end of period	39,607	44,627