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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (under IFRS)

August 2, 2024

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
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Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: 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, 2025 (from April 1, 2024 to June 30, 2024)

(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, 2024	64,129	13.6	4,942	64.3	6,629	47.2	4,616	52.2	4,595	58.4	11,215	(13.7)
June 30, 2023	56,440	16.5	3,008	67.6	4,504	60.7	3,033	94.0	2,900	91.0	12,993	22.9

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	92.79	—
June 30, 2023	58.33	—

(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, 2024	256,348	194,328	193,003	75.3	3,926.18
March 31, 2024	245,004	186,602	185,322	75.6	3,725.39

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, 2024	–	30.00	–	44.00	74.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		38.00	–	38.00	76.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2024	119,000	1.7	7,800	20.9	8,600	(4.2)	6,100	(1.1)	6,000	0.4	121.59
Fiscal year ending March 31, 2025	238,000	(1.0)	16,000	5.9	17,800	(7.1)	12,500	0.4	12,400	1.4	251.73

Note: Revisions to the consolidated earnings forecast most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 June 30, 2024	52,644,030 shares
As of March 31, 2024	52,644,030 shares

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

As of June 30, 2024	3,485,797 shares
As of March 31, 2024	2,898,297 shares

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

For the three months ended June 30, 2024	49,523,366 shares
For the three months ended June 30, 2023	49,727,560 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

- * 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

Supplementary material on financial results is attached to this consolidated financial results for the first quarter.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	82,028	87,219
Trade and other receivables	40,198	41,935
Other financial assets	4,181	3,792
Inventories	32,809	35,243
Other current assets	3,615	3,778
Total current assets	162,833	171,970
Non-current assets		
Property, plant and equipment	57,234	58,539
Goodwill and intangible assets	2,946	2,826
Investments accounted for using the equity method	127	132
Other financial assets	18,554	19,388
Deferred tax assets	2,768	2,947
Other non-current assets	540	543
Total non-current assets	82,171	84,378
Total assets	245,004	256,348

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,184	22,032
Borrowings	6,100	6,100
Other financial liabilities	458	480
Income taxes payable	1,981	2,320
Provisions	8,380	9,708
Other current liabilities	9,079	8,941
Total current liabilities	46,183	49,582
Non-current liabilities		
Other financial liabilities	1,100	1,150
Defined benefit liability	1,135	1,190
Provisions	14	14
Deferred tax liabilities	9,442	9,551
Other non-current liabilities	525	529
Total non-current liabilities	12,218	12,438
Total liabilities	58,402	62,020
Equity		
Issued capital	4,175	4,175
Retained earnings	149,324	151,736
Treasury shares	(4,694)	(5,994)
Other components of equity	36,515	43,085
Total equity attributable to owners of parent	185,322	193,003
Non-controlling interests	1,280	1,324
Total equity	186,602	194,328
Total liabilities and equity	245,004	256,348

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue	56,440	64,129
Cost of sales	(47,763)	(52,295)
Gross profit	8,676	11,833
Selling, general and administrative expenses	(5,822)	(7,023)
Other income	178	194
Other expense	(24)	(62)
Operating profit	3,008	4,942
Finance income	1,500	1,694
Finance costs	(5)	(7)
Share of profit (loss) in investments accounted for using the equity method	1	—
Profit before income taxes	4,504	6,629
Income tax expense	(1,471)	(2,012)
Profit	3,033	4,616
Profit attributable to		
Owners of parent	2,900	4,595
Non-controlling interests	132	21
Profit	3,033	4,616
Earnings per share		
Basic earnings per share (Yen)	58.33	92.79
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,033	4,616
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	24	5
Changes in the fair value of financial assets measured at fair value through other comprehensive income	1,344	(553)
Total	<u>1,369</u>	<u>(547)</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	8,601	7,154
Share of other comprehensive income of associates accounted for using equity method	(11)	(8)
Total	<u>8,590</u>	<u>7,145</u>
Total other comprehensive income	<u>9,960</u>	<u>6,598</u>
Comprehensive income	<u>12,993</u>	<u>11,215</u>
Comprehensive income attributable to		
Owners of parent	12,721	11,170
Non-controlling interests	271	44
Comprehensive income	<u>12,993</u>	<u>11,215</u>

(4) Condensed quarterly consolidated statement of changes in equity
Three months ended June 30, 2023

	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, 2023	4,175	139,639	(4,723)	16,180	4,782
Profit	–	2,900	–	–	–
Other comprehensive income	–	–	–	8,464	1,331
Total comprehensive income	–	2,900	–	8,464	1,331
Purchase of treasury shares	–	–	(0)	–	–
Dividends	–	(1,491)	–	–	–
Increase (decrease) through changes in interests	–	(161)	–	–	–
Transfer from other components of equity	–	24	–	–	–
Total transactions with the owners	–	(1,628)	(0)	–	–
Balance as of June 30, 2023	4,175	140,910	(4,723)	24,645	6,114

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Total	Total		
	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, 2023	–	20,963	160,055	2,069	162,124	
Profit	–	–	2,900	132	3,033	
Other comprehensive income	24	9,820	9,820	139	9,960	
Total comprehensive income	24	9,820	12,721	271	12,993	
Purchase of treasury shares	–	–	(0)	–	(0)	
Dividends	–	–	(1,491)	(0)	(1,492)	
Increase (decrease) through changes in interests	–	–	(161)	(1,130)	(1,292)	
Transfer from other components of equity	(24)	(24)	–	–	–	
Total transactions with the owners	(24)	(24)	(1,653)	(1,131)	(2,784)	
Balance as of June 30, 2023	–	30,759	171,122	1,209	172,332	

Three months ended June 30, 2024

	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, 2024	4,175	149,324	(4,694)	28,280	8,235
Profit	—	4,595	—	—	—
Other comprehensive income	—	—	—	7,117	(548)
Total comprehensive income	—	4,595	—	7,117	(548)
Purchase of treasury shares	—	—	(1,299)	—	—
Dividends	—	(2,188)	—	—	—
Increase (decrease) through changes in interests	—	—	—	—	—
Transfer from other components of equity	—	5	—	—	—
Total transactions with the owners	—	(2,183)	(1,299)	—	—
Balance as of June 30, 2024	4,175	151,736	(5,994)	35,398	7,687

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total equity
	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, 2024	—	36,515	185,322	1,280	186,602
Profit	—	—	4,595	21	4,616
Other comprehensive income	5	6,575	6,575	23	6,598
Total comprehensive income	5	6,575	11,170	44	11,215
Purchase of treasury shares	—	—	(1,299)	—	(1,299)
Dividends	—	—	(2,188)	(0)	(2,189)
Increase (decrease) through changes in interests	—	—	—	—	—
Transfer from other components of equity	(5)	(5)	—	—	—
Total transactions with the owners	(5)	(5)	(3,488)	(0)	(3,489)
Balance as of June 30, 2024	—	43,085	193,003	1,324	194,328

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from (used in) operating activities		
Profit before income taxes	4,504	6,629
Depreciation and amortization expense	3,388	3,116
Finance income and finance costs	(1,432)	(1,529)
Share of loss (profit) in investments accounted for using the equity method	(1)	—
Loss (gain) on sales and retirement of non-current assets	(8)	(11)
Decrease (Increase) in inventories	1,384	(1,125)
Decrease (Increase) in trade and other receivables	1,143	93
Increase (decrease) in trade and other payables	(569)	803
Increase (decrease) in defined benefit liability	(88)	(8)
Increase (decrease) in provisions	632	1,327
Other	(1,420)	(1,127)
Subtotal	7,531	8,169
Interest and dividend income received	342	961
Interest expenses paid	(3)	(2)
Income taxes paid	(1,029)	(1,072)
Income taxes refund and interest on refund received	3	1
Net cash flows from (used in) operating activities	6,844	8,057
Cash flows from (used in) investing activities		
Payments into time deposits	(4)	(1,408)
Proceeds from withdrawal of time deposits	1,131	600
Purchase of property, plant and equipment	(2,500)	(2,154)
Proceeds from sales of property, plant and equipment	44	27
Purchase of intangible assets	(165)	(110)
Payments of loans receivable	(6)	(15)
Collection of loans receivable	31	29
Purchase of investments	(47)	(127)
Other	13	(14)
Net cash flows from (used in) investing activities	(1,503)	(3,172)
Cash flows from (used in) financing activities		
Repayments of lease liabilities	(121)	(115)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,292)	—
Purchase of treasury shares	(0)	(1,299)
Cash dividends paid	(1,464)	(2,155)
Cash dividends paid to non-controlling shareholders	(0)	(0)
Net cash flows from (used in) financing activities	(2,879)	(3,572)
Net increase (decrease) in cash and cash equivalents	2,460	1,312
Cash and cash equivalents at beginning of period	53,738	82,028
Effect of exchange rate change on cash and cash equivalents	3,397	3,878
Cash and cash equivalents at end of period	59,596	87,219

(Segment information)**(1) Overview of reportable segments**

The Group's reportable segments are components of the Group for which discrete financial information is available, and whose operating results are regularly reviewed by the Board of Directors to make decisions about managerial resources to be allocated to the segments and assess their performances. In the Group, the Head of business operation of motorcycles business and the Head of business operation of automobiles business develop domestic and overseas comprehensive strategies and build operations in the motorcycle business and the automobile business, respectively. The Head of business strategy performs the same role for the non-mobility business. Thus the Group has three reportable segments: the "motorcycles business," the "automobiles business," and the "non-mobility business." The motorcycles business manufactures clutches for motorcycles, scooters and ATVs and other products, while developing new businesses in the EV/CASE area. The automobile business manufactures clutches for manual and automatic transmission automobiles and other products, while developing new businesses in the EV/CASE area. The non-mobilities business develops new businesses, primarily in the environmental and energy sectors.

(2) Revenue and performance for reportable segments

Three months ended June 30, 2023

	Reportable segments				Consolidated
	Motorcycles business	Automobiles business	Non-mobility business	Total	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Revenue					
External revenue	25,039	31,396	3	56,440	56,440
Intersegment revenue	—	—	—	—	—
Total	25,039	31,396	3	56,440	56,440
Depreciation and amortization expense	(1,350)	(2,005)	(33)	(3,388)	(3,388)
Other profit (loss)	(22,238)	(27,223)	(580)	(50,043)	(50,043)
Operating profit (loss)	1,450	2,168	(610)	3,008	3,008
Finance income					1,500
Finance costs					(5)
Share of profit (loss) in investments accounted for using the equity method					1
Profit before income taxes					4,504

Three months ended June 30, 2024

	Reportable segments				Consolidated
	Motorcycles business	Automobiles business	Non-mobility business	Total	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Revenue					
External revenue	28,799	35,319	10	64,129	64,129
Intersegment revenue	—	—	—	—	—
Total	28,799	35,319	10	64,129	64,129
Depreciation and amortization expense	△1,310	△1,773	△31	△3,116	△3,116
Other profit (loss)	△24,429	△30,947	△693	△56,070	△56,070
Operating profit (loss)	3,059	2,598	△715	4,942	4,942
Finance income					1,694
Finance costs					△7
Share of profit (loss) in investments accounted for using the equity method					—
Profit before income taxes					6,629

(References)

Summary of FY2025 First Quarter Financial Results <Consolidated>

August 2, 2024
F.C.C. CO., LTD.
(Millions of yen)

	Fiscal Year Ended March 2024 1st Quarter Result (Apr.2023-Jun.2023)	Fiscal Year Ended March 2025 1st Quarter Result (Apr.2024-Jun.2024)	Fiscal Year Ended March 2024 Result (Apr.2023-Mar.2024)	Fiscal Year Ending March 2025 Forecast [announced on May 10th] (Apr.2024-Mar.2025)
Revenue	56,440	64,129	240,283	238,000
Operating profit 〈Margin〉	3,008 5.3%	4,942 7.7%	15,102 6.3%	16,000 6.7%
Profit before income taxes 〈Margin〉	4,504 8.0%	6,629 10.3%	19,169 8.0%	17,800 7.5%
Profit attributable to owners of parent 〈Margin〉	2,900 5.1%	4,595 7.2%	12,231 5.1%	12,400 5.2%
FX (Average exchange rate)				
USD	¥137.37	¥155.89	¥144.63	¥140.00
MXN	¥7.78	¥9.05	¥8.36	¥8.03
THB	¥3.99	¥4.25	¥4.11	¥3.93
IDR	¥0.0093	¥0.0097	¥0.0094	¥0.0090
INR	¥1.67	¥1.87	¥1.75	¥1.68
CNY	¥19.56	¥21.49	¥20.15	¥19.30
BRL	¥27.77	¥29.91	¥29.32	¥28.70
NTD	¥4.47	¥4.83	¥4.60	¥4.36
PHP	¥2.47	¥2.70	¥2.59	¥2.51
VND	¥0.00584	¥0.00616	¥0.00600	¥0.00576
Capital Expenditures	2,468	2,121	8,273	15,210
Depreciation	3,246	3,029	12,359	11,640
R&D	1,961	2,121	8,013	9,400

Analysis of Operating Profit Variance (YoY)	Fiscal Year Ended March 2025 1st Quarter Result (Apr.2024-Jun.2024)	Fiscal Year Ending March 2025 Forecast [announced on May 10th] (Apr.2024-Mar.2025)
Revenue, model mix	+1,520	+740
Depreciation	+463	+380
R&D Expenses	(160)	(1,390)
SGA*	(739)	+1,680
Foreign Exchange rates	+873	(1,240)
Others	(22)	+728
Total	+1,935	+897

*Product warranty (quality related) expenses etc.

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.