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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (under IFRS)

May 12, 2023

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 20, 2023

Scheduled date to commence dividend payments: June 21, 2023

Scheduled date to file annual securities report: June 22, 2023

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, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2023	218,939	28.1	11,903	18.4	13,641	14.2	9,802	12.9	9,566	11.9	16,300	(13.9)
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

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2023	192.41	—	6.2	6.7	5.4
March 31, 2022	172.07	—	6.2	6.4	5.9

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

For the fiscal year ended March 31, 2023: ¥(9) million

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

(2) Consolidated financial position

As of	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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	210,626	162,124	160,055	76.0	3,218.63
March 31, 2022	195,364	148,532	146,625	75.1	2,950.09

(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, 2023	21,014	(10,307)	(3,232)	53,738
March 31, 2022	15,456	(9,627)	(4,202)	44,627

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, 2022	–	26.00	–	26.00	52.00	2,584	30.2	1.9
March 31, 2023	–	26.00	–	30.00	56.00	2,784	29.1	1.8
Fiscal year ending March 31, 2024 (Forecast)	–	30.00	–	30.00	60.00		31.1	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2023	111,000	3.6	6,000	41.6	6,300	10.1	4,100	17.8	4,000	18.6	80.44
Fiscal year ending March 31, 2024	227,000	3.7	14,000	17.6	14,500	6.3	9,800	(0.0)	9,600	0.3	193.05

*** 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, 2023	52,644,030 shares
As of March 31, 2022	52,644,030 shares

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

As of March 31, 2023	2,916,364 shares
As of March 31, 2022	2,941,879 shares

c. Average number of shares during the period

Fiscal year ended March 31, 2023	49,719,978 shares
Fiscal year ended March 31, 2022	49,697,818 shares

(Reference) Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended March 31, 2023
(from April 1, 2022 to March 31, 2023)**

(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, 2023	38,705	(1.4)	(999)	—	4,395	(21.2)	3,184	(25.8)
March 31, 2022	39,256	14.7	38	—	5,575	75.6	4,292	308.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	64.04	—
March 31, 2022	86.37	—

(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, 2023	84,762	69,149	81.6	1,390.57
March 31, 2022	82,921	68,283	82.3	1,373.85

Reference: Equity

For the fiscal year ended March 31, 2023: ¥69,149 million

For the fiscal year ended March 31, 2022: ¥68,283 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 18, 2023. 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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	44,627	53,738
Trade and other receivables	34,203	38,739
Other financial assets	2,413	3,902
Inventories	30,780	32,715
Other current assets	2,985	3,091
Total current assets	115,010	132,189
Non-current assets		
Property, plant and equipment	60,029	57,483
Goodwill and intangible assets	3,805	3,447
Investments accounted for using the equity method	168	161
Other financial assets	13,607	14,395
Deferred tax assets	2,595	2,554
Other non-current assets	146	394
Total non-current assets	80,354	78,437
Total assets	195,364	210,626

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	18,254	18,204
Borrowings	6,100	6,100
Other financial liabilities	385	313
Income taxes payable	2,125	2,019
Provisions	1,669	3,478
Other current liabilities	7,042	8,187
Total current liabilities	<u>35,577</u>	<u>38,302</u>
Non-current liabilities		
Other financial liabilities	1,260	1,096
Defined benefit liability	1,644	1,527
Provisions	14	14
Deferred tax liabilities	7,973	7,087
Other non-current liabilities	362	472
Total non-current liabilities	<u>11,255</u>	<u>10,199</u>
Total liabilities	<u>46,832</u>	<u>48,502</u>
Equity		
Issued capital	4,175	4,175
Retained earnings	132,252	139,639
Treasury shares	(4,764)	(4,723)
Other components of equity	14,962	20,963
Total equity attributable to owners of parent	<u>146,625</u>	<u>160,055</u>
Non-controlling interests	1,906	2,069
Total equity	<u>148,532</u>	<u>162,124</u>
Total liabilities and equity	<u><u>195,364</u></u>	<u><u>210,626</u></u>

(2) Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue	170,971	218,939
Cost of sales	(143,234)	(185,944)
Gross profit	27,737	32,994
Selling, general and administrative expenses	(17,867)	(21,669)
Other income	626	1,125
Other expense	(445)	(546)
Operating profit	10,051	11,903
Finance income	1,928	1,820
Finance costs	(23)	(74)
Share of profit (loss) in investments accounted for using the equity method	(11)	(9)
Profit before income taxes	11,944	13,641
Income tax expense	(3,263)	(3,838)
Profit	8,681	9,802
Profit attributable to		
Owners of parent	8,551	9,566
Non-controlling interests	130	236
Profit	8,681	9,802
Earnings per share		
Basic earnings per share (Yen)	172.07	192.41
Diluted earnings per share (Yen)	—	—

(3) Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	8,681	9,802
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	43	411
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(56)	304
Total	(13)	715
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	10,271	5,782
Share of other comprehensive income of associates accounted for using equity method	(10)	(0)
Total	10,261	5,781
Total other comprehensive income	10,248	6,497
Comprehensive income	18,929	16,300
Comprehensive income attributable to		
Owners of parent	18,649	15,980
Non-controlling interests	280	319
Comprehensive income	18,929	16,300

(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, 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
Profit	—	9,566	—	—	—
Other comprehensive income	—	—	—	5,700	302
Total comprehensive income	—	9,566	—	5,700	302
Purchase of treasury shares	—	—	(0)	—	—
Disposal of treasury shares	—	(7)	41	—	—
Dividends	—	(2,585)	—	—	—
Transfer from other components of equity	—	412	—	—	(1)
Total transactions with the owners	—	(2,179)	41	—	(1)
Balance as of March 31, 2023	4,175	139,639	(4,723)	16,180	4,782

	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	—	—	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
Profit	—	—	9,566	236	9,802
Other comprehensive income	411	6,413	6,413	83	6,497
Total comprehensive income	411	6,413	15,980	319	16,300
Purchase of treasury shares	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	33	—	33
Dividends	—	—	(2,585)	(157)	(2,742)
Transfer from other components of equity	(411)	(412)	—	—	—
Total transactions with the owners	(411)	(412)	(2,551)	(157)	(2,708)
Balance as of March 31, 2023	—	20,963	160,055	2,069	162,124

(5) Consolidated statement of cash flows

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from (used in) operating activities		
Profit before income taxes	11,944	13,641
Depreciation and amortization expense	12,803	13,358
Impairment loss	—	315
Finance income and finance costs	(1,571)	(1,645)
Share of loss (profit) in investments accounted for using the equity method	11	9
Loss (gain) on sales and retirement of non-current assets	174	12
Decrease (Increase) in inventories	(6,814)	(352)
Decrease (Increase) in trade and other receivables	247	(2,861)
Increase (decrease) in trade and other payables	127	(820)
Increase (decrease) in defined benefit liability	260	316
Increase (decrease) in provisions	1,669	1,808
Other	(289)	1,489
Subtotal	18,563	25,270
Interest and dividend income received	752	923
Interest expenses paid	(24)	(20)
Income taxes paid	(4,344)	(5,235)
Income taxes refund and interest on refund received	508	75
Net cash flows from (used in) operating activities	15,456	21,014
Cash flows from (used in) investing activities		
Payments into time deposits	(2,040)	(2,665)
Proceeds from withdrawal of time deposits	2,519	1,492
Purchase of property, plant and equipment	(9,859)	(7,776)
Proceeds from sales of property, plant and equipment	198	170
Purchase of intangible assets	(1,048)	(770)
Payments of loans receivable	(78)	(74)
Collection of loans receivable	111	102
Purchase of investments	(364)	(711)
Proceeds from sales and redemption of investments	954	2
Other	(20)	(76)
Net cash flows from (used in) investing activities	(9,627)	(10,307)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	(1,093)	—
Repayments of lease liabilities	(693)	(489)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,285)	(2,585)
Cash dividends paid to non-controlling shareholders	(129)	(157)
Net cash flows from (used in) financing activities	(4,202)	(3,232)
Net increase (decrease) in cash and cash equivalents	1,625	7,474
Cash and cash equivalents at beginning of period	39,607	44,627
Effect of exchange rate change on cash and cash equivalents	3,393	1,637
Cash and cash equivalents at end of period	44,627	53,738