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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (under IFRS)

February 2, 2024

Company name: **F.C.C. CO., LTD.**
 Listing: Tokyo Stock Exchange
 Securities code: 7296
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Scheduled date to file Quarterly Securities Report: February 14, 2024

Scheduled date to commence dividend payments: —

Preparation of supplementary results briefing material on quarterly financial results: None

Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated financial results for the Third quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended												
December 31, 2023	177,508	9.3	11,944	73.6	14,736	76.5	10,648	85.8	10,434	88.4	17,739	93.1
December 31, 2022	162,355	32.0	6,879	(13.4)	8,350	(5.3)	5,732	(3.7)	5,538	(5.3)	9,185	(3.4)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	209.78	—
December 31, 2022	111.41	—

(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
December 31, 2023	227,883	175,562	174,328	76.5	3,504.39
March 31, 2023	210,626	162,124	160,055	76.0	3,218.63

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, 2023	–	26.00	–	30.00	56.00
Fiscal year ending March 31, 2024	–	30.00			
Fiscal year ending March 31, 2024 (Forecast)			–	30.00	60.00

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

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
Fiscal year ending March 31, 2024	234,000	6.9	14,000	17.6	17,000	24.6	11,200	14.3	11,000	15.0	221.15

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

*** 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: Yes

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 December 31, 2023	52,644,030 shares
As of March 31, 2023	52,644,030 shares

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

As of December 31, 2023	2,898,207 shares
As of March 31, 2023	2,916,364 shares

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

For the nine months ended December 31, 2023	49,738,583 shares
For the nine months ended December 31, 2022	49,717,462 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.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	53,738	71,551
Trade and other receivables	38,739	35,227
Other financial assets	3,902	5,120
Inventories	32,715	32,758
Other current assets	3,091	4,964
Total current assets	132,189	149,622
Non-current assets		
Property, plant and equipment	57,483	56,718
Goodwill and intangible assets	3,447	3,107
Investments accounted for using the equity method	161	133
Other financial assets	14,395	15,200
Deferred tax assets	2,554	2,741
Other non-current assets	394	358
Total non-current assets	78,437	78,260
Total assets	210,626	227,883

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	18,204	18,681
Borrowings	6,100	6,100
Other financial liabilities	313	459
Income taxes payable	2,019	2,558
Provisions	3,478	6,269
Other current liabilities	8,187	7,536
Total current liabilities	38,302	41,605
Non-current liabilities		
Other financial liabilities	1,096	1,180
Defined benefit liability	1,527	1,393
Provisions	14	14
Deferred tax liabilities	7,087	7,608
Other non-current liabilities	472	517
Total non-current liabilities	10,199	10,714
Total liabilities	48,502	52,320
Equity		
Issued capital	4,175	4,175
Retained earnings	139,639	146,939
Treasury shares	(4,723)	(4,694)
Other components of equity	20,963	27,906
Total equity attributable to owners of parent	160,055	174,328
Non-controlling interests	2,069	1,234
Total equity	162,124	175,562
Total liabilities and equity	210,626	227,883

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	162,355	177,508
Cost of sales	(139,558)	(146,862)
Gross profit	22,796	30,646
Selling, general and administrative expenses	(16,217)	(18,963)
Other income	445	497
Other expense	(145)	(235)
Operating profit	6,879	11,944
Finance income	1,506	2,811
Finance costs	(27)	(16)
Share of profit (loss) of investments accounted for using equity method	(8)	(2)
Profit before income taxes	8,350	14,736
Income tax expense	(2,618)	(4,088)
Profit	5,732	10,648
Profit attributable to		
Owners of parent	5,538	10,434
Non-controlling interests	193	214
Profit	5,732	10,648
Earnings per share		
Basic earnings per share (Yen)	111.41	209.78
Diluted earnings per share (Yen)	—	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	5,732	10,648
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	326	11
Changes in the fair value of financial assets measured at fair value through other comprehensive income	(461)	1,480
Total	<u>(134)</u>	<u>1,492</u>
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	3,582	5,605
Share of other comprehensive income of associates accounted for using equity method	6	(7)
Total	<u>3,588</u>	<u>5,597</u>
Total other comprehensive income	<u>3,453</u>	<u>7,090</u>
Comprehensive income	<u>9,185</u>	<u>17,739</u>
Comprehensive income attributable to		
Owners of parent	8,936	17,388
Non-controlling interests	248	350
Comprehensive income	<u>9,185</u>	<u>17,739</u>

(4) Condensed quarterly consolidated statement of changes in equity
 Nine months ended December 31, 2022

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	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	Millions of yen	
Balance as of April 1, 2022	4,175	–	132,252	(4,764)	10,480	4,481
Profit	–	–	5,538	–	–	–
Other comprehensive income	–	–	–	–	3,528	(456)
Total comprehensive income	–	–	5,538	–	3,528	(456)
Purchase of treasury shares	–	–	–	(0)	–	–
Disposal of treasury shares	–	–	(7)	41	–	–
Dividends	–	–	(2,585)	–	–	–
Increase (decrease) through changes in interests	–	–	–	–	–	–
Transfer from retained earnings to capital surplus	–	–	–	–	–	–
Transfer from other components of equity	–	–	327	–	–	(1)
Total transactions with the owners	–	–	(2,265)	41	–	(1)
Balance as of December 31, 2022	4,175	–	135,526	(4,723)	14,009	4,023

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		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, 2022	–	14,962	146,625	1,906	148,532
Profit	–	–	5,538	193	5,732
Other comprehensive income	326	3,397	3,397	55	3,453
Total comprehensive income	326	3,397	8,936	248	9,185
Purchase of treasury shares	–	–	(0)	–	(0)
Disposal of treasury shares	–	–	33	–	33
Dividends	–	–	(2,585)	(157)	(2,742)
Increase (decrease) through changes in interests	–	–	–	–	–
Transfer from retained earnings to capital surplus	–	–	–	–	–
Transfer from other components of equity	(326)	(327)	–	–	–
Total transactions with the owners	(326)	(327)	(2,551)	(157)	(2,708)
Balance as of December 31, 2022	–	18,032	153,011	1,998	155,009

Nine months ended December 31, 2023

	Equity attributable to owners of parent					
	Issued capital	Capital surplus	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	Millions of yen	
Balance as of April 1, 2023	4,175	—	139,639	(4,723)	16,180	4,782
Profit	—	—	10,434	—	—	—
Other comprehensive income	—	—	—	—	5,475	1,468
Total comprehensive income	—	—	10,434	—	5,475	1,468
Purchase of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	3	—	29	—	—
Dividends	—	—	(2,984)	—	—	—
Increase (decrease) through changes in interests	—	(163)	—	—	—	—
Transfer from retained earnings to capital surplus	—	160	(160)	—	—	—
Transfer from other components of equity	—	—	11	—	—	—
Total transactions with the owners	—	—	(3,133)	29	—	—
Balance as of December 31, 2023	4,175	—	146,939	(4,694)	21,656	6,250

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		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	—	—	10,434	214	10,648
Other comprehensive income	11	6,954	6,954	135	7,090
Total comprehensive income	11	6,954	17,388	350	17,739
Purchase of treasury shares	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	32	—	32
Dividends	—	—	(2,984)	(55)	(3,039)
Increase (decrease) through changes in interests	—	—	(163)	(1,130)	(1,293)
Transfer from retained earnings to capital surplus	—	—	—	—	—
Transfer from other components of equity	(11)	(11)	—	—	—
Total transactions with the owners	(11)	(11)	(3,115)	(1,185)	(4,300)
Balance as of December 31, 2023	—	27,906	174,328	1,234	175,562

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from (used in) operating activities		
Profit before income taxes	8,350	14,736
Depreciation and amortization expense	10,253	9,807
Finance income and finance costs	(1,102)	(2,346)
Share of loss (profit) in investments accounted for using the equity method	8	2
Loss (gain) on sales and retirement of non-current assets	31	17
Decrease (Increase) in inventories	(2,475)	1,663
Decrease (Increase) in trade and other receivables	1,026	5,522
Increase (decrease) in trade and other payables	178	(405)
Increase (decrease) in defined benefit liability	188	(201)
Increase (decrease) in provisions	1,450	2,791
Other	(640)	(1,127)
Subtotal	17,267	30,459
Interest and dividend income received	733	1,442
Interest expenses paid	(17)	(12)
Income taxes paid	(4,410)	(5,435)
Income taxes refund and interest on refund received	19	17
Net cash flows from (used in) operating activities	13,592	26,471
Cash flows from (used in) investing activities		
Payments into time deposits	(976)	(3,525)
Proceeds from withdrawal of time deposits	1,479	4,365
Purchase of property, plant and equipment	(6,140)	(6,100)
Proceeds from sales of property, plant and equipment	100	90
Purchase of intangible assets	(628)	(416)
Payments of loans receivable	(61)	(53)
Collection of loans receivable	85	132
Purchase of investments	(426)	(354)
Proceeds from sale and redemption of investments	2	36
Other	(61)	(83)
Net cash flows from (used in) investing activities	(6,626)	(5,908)
Cash flows from (used in) financing activities		
Repayments of lease liabilities	(352)	(361)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(1,292)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,583)	(2,981)
Cash dividends paid to non-controlling shareholders	(157)	(55)
Net cash flows from (used in) financing activities	(3,093)	(4,690)
Net increase (decrease) in cash and cash equivalents	3,871	15,872
Cash and cash equivalents at beginning of period	44,627	53,738
Effect of exchange rate change on cash and cash equivalents	671	1,940
Cash and cash equivalents at end of period	49,170	71,551