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Consolidated Financial Results for the Six Months Ended September 30, 2024 (under IFRS)

November 1, 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
Contact: Mikinobu Nagasaka, Senior Operating Officer, Head of Management and Administration
TEL: +81-53-523-2400

Scheduled date to file semi-annual securities report: November 11, 2024
Scheduled date to commence dividend payments: November 25, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	127,323	8.9	10,025	55.3	10,252	14.2	7,729	25.3	7,701	28.8	650	(96.6)
September 30, 2023	116,960	9.2	6,453	52.3	8,980	56.9	6,168	77.3	5,977	77.1	19,411	18.7

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	156.07	–
September 30, 2023	120.18	–

(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, 2024	238,069	183,795	182,530	76.7	3,712.04
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	–	101.00			
Fiscal year ending March 31, 2025 (Forecast)			–	101.00	202.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes
Breakdown of dividends at the end of the second quarter of the fiscal year ending March 31, 2025 Ordinary dividend 38.0 yen Commemorative dividend 63.0 yen
Breakdown of year-end dividend for the fiscal year ending March 31, 2025 (forecast) Ordinary dividend 38.0 yen Commemorative dividend 63.0 yen
Note: For details of the revision of the cash dividends forecast, please refer to "Notice Concerning Dividends of Surplus (20th Anniversary Dividends) and Revision of Dividend Forecast" announced on November 1, 2024.

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
Fiscal year ending March 31, 2025	243,000	1.1	16,000	5.9	17,000	(11.3)	12,500	0.4	12,400	1.4	253.08

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

*** 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 due to other reasons: None

c. Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	52,056,530 shares
As of March 31, 2024	52,644,030 shares

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

As of September 30, 2024	2,883,904 shares
As of March 31, 2024	2,898,297 shares

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

For the six months ended September 30, 2024	49,345,780 shares
For the six months ended September 30, 2023	49,734,943 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 11, 2024. 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, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	82,028	76,621
Trade and other receivables	40,198	39,554
Other financial assets	4,181	6,452
Inventories	32,809	32,464
Other current assets	3,615	4,597
Total current assets	162,833	159,690
Non-current assets		
Property, plant and equipment	57,234	54,573
Goodwill and intangible assets	2,946	2,677
Investments accounted for using the equity method	127	119
Other financial assets	18,554	17,718
Deferred tax assets	2,768	2,771
Other non-current assets	540	519
Total non-current assets	82,171	78,378
Total assets	245,004	238,069

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,184	20,039
Borrowings	6,100	3,000
Other financial liabilities	458	423
Income taxes payable	1,981	1,813
Provisions	8,380	9,617
Other current liabilities	9,079	8,234
Total current liabilities	46,183	43,128
Non-current liabilities		
Other financial liabilities	1,100	993
Defined benefit liability	1,135	1,280
Provisions	14	14
Deferred tax liabilities	9,442	8,347
Other non-current liabilities	525	508
Total non-current liabilities	12,218	11,144
Total liabilities	58,402	54,273
Equity		
Issued capital	4,175	4,175
Retained earnings	149,324	153,822
Treasury shares	(4,694)	(4,959)
Other components of equity	36,515	29,491
Total equity attributable to owners of parent	185,322	182,530
Non-controlling interests	1,280	1,265
Total equity	186,602	183,795
Total liabilities and equity	245,004	238,069

(2) Condensed quarterly consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	116,960	127,323
Cost of sales	(97,938)	(103,572)
Gross profit	19,022	23,751
Selling, general and administrative expenses	(12,726)	(14,035)
Other income	350	448
Other expense	(192)	(138)
Operating profit	6,453	10,025
Finance income	2,539	1,749
Finance costs	(10)	(1,519)
Share of profit (loss) of investments accounted for using equity method	(2)	(2)
Profit before income taxes	8,980	10,252
Income tax expense	(2,811)	(2,523)
Profit	6,168	7,729
Profit attributable to		
Owners of parent	5,977	7,701
Non-controlling interests	191	27
Profit	6,168	7,729
Earnings per share		
Basic earnings per share (Yen)	120.18	156.07
Diluted earnings per share (Yen)	–	—

(3) Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	6,168	7,729
Other comprehensive income		
Components that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	25	(12)
Changes in the fair value of financial assets measured at fair value through other comprehensive income	2,368	(1,646)
Total	2,393	(1,658)
Components that may be reclassified to profit or loss		
Exchange differences of foreign operations	10,857	(5,428)
Share of other comprehensive income of associates accounted for using equity method	(8)	8
Total	10,848	(5,420)
Total other comprehensive income	13,242	(7,078)
Comprehensive income	19,411	650
Comprehensive income attributable to		
Owners of parent	19,069	664
Non-controlling interests	342	(14)
Comprehensive income	19,411	650

(4) Condensed quarterly consolidated statement of changes in equity

Six months ended September 30, 2023

	Equity attributable to owners of parent					
					Other components of equity	
	Issued capital	Capital surplus	Retained earnings	Treasury shares	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	—	—	5,977	—	—	—
Other comprehensive income	—	—	—	—	10,721	2,345
Total comprehensive income	—	—	5,977	—	10,721	2,345
Purchase of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	3	—	29	—	—
Cancellation of treasury shares	—	—	—	—	—	—
Dividends	—	—	(1,491)	—	—	—
Increase (decrease) through changes in interests	—	(3)	(160)	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—	—
Transfer from other components of equity	—	—	25	—	—	—
Total transactions with the owners	—	—	(1,627)	29	—	—
Balance as of September 30, 2023	4,175	—	143,989	(4,694)	26,902	7,128

	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	—	—	5,977	191	6,168
Other comprehensive income	25	13,092	13,092	150	13,242
Total comprehensive income	25	13,092	19,069	342	19,411
Purchase of treasury shares	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	32	—	32
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(1,491)	(0)	(1,492)
Increase (decrease) through changes in interests	—	—	(163)	(1,130)	(1,293)
Transfer from retained earnings to capital surplus	—	—	—	—	—
Transfer from other components of equity	(25)	(25)	—	—	—
Total transactions with the owners	(25)	(25)	(1,622)	(1,131)	(2,753)
Balance as of September 30, 2023	—	34,030	177,501	1,280	178,781

Six months ended September 30, 2024

	Equity attributable to owners of parent					
					Other components of equity	
	Issued capital	Capital surplus	Retained earnings	Treasury shares	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, 2024	4,175	—	149,324	(4,694)	28,280	8,235
Profit	—	—	7,701	—	—	—
Other comprehensive income	—	—	—	—	(5,392)	(1,631)
Total comprehensive income	—	—	7,701	—	(5,392)	(1,631)
Purchase of treasury shares	—	—	—	(1,300)	—	—
Disposal of treasury shares	—	7	—	24	—	—
Cancellation of treasury shares	—	(1,010)	—	1,010	—	—
Dividends	—	—	(2,188)	—	—	—
Increase (decrease) through changes in interests	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	1,002	(1,002)	—	—	—
Transfer from other components of equity	—	—	(12)	—	—	—
Total transactions with the owners	—	—	(3,203)	(264)	—	—
Balance as of September 30, 2024	4,175	—	153,822	(4,959)	22,887	6,604

	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, 2024	—	36,515	185,322	1,280	186,602
Profit	—	—	7,701	27	7,729
Other comprehensive income	(12)	(7,036)	(7,036)	(42)	(7,078)
Total comprehensive income	(12)	(7,036)	664	(14)	650
Purchase of treasury shares	—	—	(1,300)	—	(1,300)
Disposal of treasury shares	—	—	32	—	32
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(2,188)	(0)	(2,189)
Increase (decrease) through changes in interests	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—	—
Transfer from other components of equity	12	12	—	—	—
Total transactions with the owners	12	12	(3,456)	(0)	(3,456)
Balance as of September 30, 2024	—	29,491	182,530	1,265	183,795

(5) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from (used in) operating activities		
Profit before income taxes	8,980	10,252
Depreciation and amortization expense	6,636	6,147
Finance income and finance costs	(2,084)	59
Share of loss (profit) in investments accounted for using the equity method	2	2
Loss (gain) on sales and retirement of non-current assets	6	(70)
Decrease (Increase) in inventories	2,071	(1,275)
Decrease (Increase) in trade and other receivables	1,782	(1,204)
Increase (decrease) in trade and other payables	(176)	1,097
Increase (decrease) in defined benefit liability	(2)	153
Increase (decrease) in provisions	2,454	1,237
Other	(160)	(1,005)
Subtotal	19,512	15,394
Interest and dividend income received	691	1,635
Interest expenses paid	(6)	(11)
Income taxes paid	(3,643)	(3,750)
Income taxes refund and interest on refund received	16	3
Net cash flows from (used in) operating activities	16,571	13,270
Cash flows from (used in) investing activities		
Payments into time deposits	(919)	(4,813)
Proceeds from withdrawal of time deposits	1,503	826
Purchase of property, plant and equipment	(4,394)	(4,621)
Proceeds from sales of property, plant and equipment	66	142
Purchase of intangible assets	(299)	(202)
Payments of loans receivable	(31)	(39)
Collection of loans receivable	100	39
Purchase of investments	(148)	(203)
Proceeds from sale and redemption of investments	36	―
Other	(1)	(13)
Net cash flows from (used in) investing activities	(4,088)	(8,883)
Cash flows from (used in) financing activities		
Net increase (decrease) in short-term borrowings	―	(3,100)
Repayments of lease liabilities	(251)	(260)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,292)	―
Purchase of treasury shares	(0)	(1,300)
Cash dividends paid	(1,491)	(2,185)
Cash dividends paid to non-controlling shareholders	(0)	(0)
Net cash flows from (used in) financing activities	(3,035)	(6,847)
Net increase (decrease) in cash and cash equivalents	9,446	(2,460)
Cash and cash equivalents at beginning of period	53,738	82,028
Effect of exchange rate change on cash and cash equivalents	4,380	(2,946)
Cash and cash equivalents at end of period	67,566	76,621

(**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

Six months ended September 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	Millions of yen
Revenue					
External revenue	52,210	64,742	7	116,960	116,960
Intersegment revenue	–	–	–	–	–
Total	52,210	64,742	7	116,960	116,960
Depreciation and amortization expense	(2,697)	(3,871)	(66)	(6,636)	(6,636)
Other profit (loss)	(45,209)	(57,417)	(1,242)	(103,870)	(103,870)
Operating profit (loss)	4,302	3,452	(1,302)	6,453	6,453
Finance income					2,539
Finance costs					(10)
Share of profit (loss) in investments accounted for using the equity method					(2)
Profit before income taxes					8,980

Six months ended September 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	Millions of yen
Revenue					
External revenue	59,157	68,138	27	127,323	127,323
Intersegment revenue	—	—	—	—	—
Total	59,157	68,138	27	127,323	127,323
Depreciation and amortization expense	(2,592)	(3,486)	(68)	(6,147)	(6,147)
Other profit (loss)	(49,533)	(60,089)	(1,527)	(111,150)	(111,150)
Operating profit (loss)	7,031	4,561	(1,568)	10,025	10,025
Finance income					1,749
Finance costs					(1,519)
Share of profit (loss) in investments accounted for using the equity method					(2)
Profit before income taxes					10,252

(References)

Summary of FY2025 Second Quarter Financial Results <Consolidated>

November 1, 2024
F.C.C. CO., LTD.
(Millions of yen)

	Fiscal Year Ended March 2024 2nd Quarter Result (Apr.2023-Sep.2023)	Fiscal Year Ended March 2025 2nd Quarter Result (Apr.2024-Sep.2024)	Fiscal Year Ended March 2024 Result (Apr.2023-Mar.2024)	Fiscal Year Ending March 2025 Forecast [Nov.1,2024] (Apr.2024-Mar.2025)	Fiscal Year Ending March 2025 Previous Forecast [May 10,2024] (Apr.2024-Mar.2025)
Revenue	116,960	127,323	240,283	243,000	238,000
Operating profit 〈Margin〉	6,453 5.5%	10,025 7.9%	15,102 6.3%	16,000 6.6%	16,000 6.7%
Profit before income taxes 〈Margin〉	8,980 7.7%	10,252 8.1%	19,169 8.0%	17,000 7.0%	17,800 7.5%
Profit attributable to owners of parent 〈Margin〉	5,977 5.1%	7,701 6.0%	12,231 5.1%	12,400 5.1%	12,400 5.2%
FX（Average exchange rate）					
USD	￥141.00	￥152.63	￥144.63	¥146.32	￥140.00
MXN	￥8.13	￥8.47	￥8.36	¥8.25	￥8.03
THB	￥4.05	￥4.27	￥4.11	¥4.10	￥3.93
IDR	￥0.0094	￥0.0096	￥0.0094	¥0.0093	￥0.0090
INR	￥1.71	￥1.83	￥1.75	¥1.75	￥1.68
CNY	￥19.75	￥21.16	￥20.15	¥20.23	￥19.30
BRL	￥28.69	￥28.41	￥29.32	¥28.56	￥28.70
NTD	￥4.52	￥4.73	￥4.60	¥4.54	￥4.36
PHP	￥2.53	￥2.66	￥2.59	¥2.58	￥2.51
VND	￥0.00594	￥0.00607	￥0.00600	¥0.00592	￥0.00576
Capital Expenditures	4,072	4,673	8,273	18,450	15,210
Depreciation	6,338	5,891	12,359	11,660	11,640
R&D	3,860	4,363	8,013	9,500	9,400

Analysis of Operating Profit Variance（YoY）		Fiscal Year Ended March 2025 2nd Quarter Result (Apr.2024-Sep.2024)		Fiscal Year Ending March 2025 Forecast (Apr.2024-Mar.2025)	Fiscal Year Ending March 2025 Previous Forecast [announced on May10th] (Apr.2024-Mar.2025)
Revenue, model mix		+2,717		+690	+740
Depreciation		+731		+720	+380
R&D Expenses		(503)		(1,490)	(1,390)
SGA*		(479)		+520	+1,680
Foreign Exchange rates		+955		+30	(1,240)
Others		+151		+428	+728
Total		+3,572		+897	+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.