

F.C.C.

Sustainability Report 2025

F.C.C. Sustainability Report



Corporate Philosophy

Fundamental Policy

We are committed to making a contribution to society by supplying products and services that make the best of our unique ideas and technologies to satisfy customers.

Action Guidelines

- We will place safety and environment first when conducting business activities.
- We will employ ingenuity and creative thinking for active business operation.
- We will renew and improve ourselves and our business every day.
- We will carry out our work in a speedy and timely manner.
- We will honor harmony among people and make our workplace a place filled with a positive atmosphere.

Contents

Introduction

- 01 Corporate Philosophy
- 02 Contents
- 03 Top Message
- 05 Value Creation Process
- 06 Business Overview
- 07 Focus on Businesses

Environment

- 13 Focus on Environment
- 13 Environmental Management
- 14 Information Disclosure Based on the Recommendations from TCFD
- 15 Major Risks/Opportunities Posed by Climate Change and Response to Them
- 16 Environmental Goals toward Carbon Neutrality and Results
- 17 Initiatives for GHG Emissions Reduction
- 18 GHG Emissions
- 20 Efforts for Efficient Resource Use
- 21 Environmental Education and Communication

Social

- 22 Human Capital
- 23 Three Pillars of Human Resource Strategy
- 23 Initiatives to Improve Engagement
- 24 Promoting Diversity
- 25 Cultivation of Human Resource Development/Development of Competency
- 26 Health and Safety
- 26 Health and Safety Management
- 27 Employees' Health
- 28 Responsibility to Partner Companies (Customers/Clients)
- 28 Quality
- 28 Procurement

Governance

- 31 Corporate Governance
- 31 Basic Concept
- 31 Corporate Governance Structure
- 32 Makeup of the Board of Directors and Policies on Director Appointment/Dismissal
- 33 Status of Activities
- 34 Officers' Remuneration
- 35 Evaluation of the Efficacy of the Board of Directors
- 35 Group Governance

Nonfinancial Data

Company Profile

Editorial Policy

The *F.C.C. Sustainability Report 2025* is disclosed as information regarding the initiatives to contribute to the realization of a sustainable society as a nonfinancial information (ESG information) disclosure tool.

Precautions on Future Prospects

The report contains the forecasts, business plans, and future prospects regarding the business environment of the Group. The descriptions are based on information that was available at the time of publication and include uncertainties as well. Accordingly, they may differ from those described in the report depending on the results of business activities and changes in various conditions.

Standards and Guidelines Referenced

- GRI Standard in accordance with the Global Reporting Initiative (GRI)
- Ministry of Economy, Trade and Industry, Value Co-Creation Guideline 2.0
- Ministry of the Environment, Environment Reporting Guidelines
- Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations

Publication Period

FY 2024 (April 1, 2024, to March 31, 2025)

*Some information after April 2025 is included as well.

Relevant Organizations and Notations

F.C.C. Co., Ltd., and the entire group are reported. In the text, F.C.C. Co., Ltd., (non-consolidated) is referred to as "the Company" and the consolidated group is referred to as "the Group" to distinguish between the two.

Top Message

Setting transformation as a universal theme

The automotive industry is entering a period of major transformation that is said to occur once in a century. In addition to the progress of electrification and digitalization and the accelerated response to environmental issues, fluctuations in the global economy and geopolitical risks are becoming intricately intertwined, making the outlook uncertain. However, such an upheaval of the age, at the same time, may give us a big chance for growth. F.C.C. started out in the resin business when it was founded, including the business of bakelite for military use and two-way sockets, responding to the needs of the times. Later, through our connection with Mr. Soichiro Honda (the founder of Honda Motor Co.), F.C.C. entered the field of parts development and manufacturing for clutches and has progressed alongside the evolution of mobility. Looking back, I think the Group has pursued challenges and transformation again and again, always capturing changes of times accurately in its history.

“Set transformation as a universal theme”—this is a message I have sent with consistency since I assumed the position of president. Based on this will, we have strengthened the revenue base of the fundamental clutch business and, at the same time, taken on new challenges in the EV/CASE and non-mobility domains. The 12th Medium-term Management Plan with the theme “The Second Foundation toward a New F.C.C.”, which started in fiscal 2023, is now entering its final fiscal year, and the progress made over the past two years has produced substantial results.

In parallel, encouraging each employee’s desire that *they want to try something interesting or they want to create a new value*, we have also taken on other challenges beyond the domain of mobility. As a result, our business area is not limited to clutches but is expanding to diverse domains including environment, energy, and advanced materials. We still have a long way to go, but I could surely sense the signs of change gradually spreading throughout the Company over the two years.

President, F.C.C. Co., Ltd.

Yoshitaka Saito



Mobility business – solid foundation and foothold for electrification

As for the motorcycle business, India, in particular, is a giant motorcycle market accounting for around 40% of the global motorcycle market and is expected to grow in the future as well. We have supplied products to all major motorcycle OEM manufacturers in India, meeting their demands ranging from small to large displacement engines with our wide lineup. As a result, the share of our clutches in the Indian market has reached 71% where we hold a dominant position globally. This result is supported by our effort to establish the structures for development and manufacturing that meet the needs of the local market, not limited to the pursuit of increasing the share. With India set as a main target in the future as well, we will accelerate the expansion of our business in the global south, including ASEAN, to remain an entity that supports global mobility. At the same time, we are aggressively working on the electric motorcycle market. In India and Indonesia, we started mass production of motor cores ordered from Honda, making concrete progress in our initiative for electrification. In addition, we entered into a business alliance with DAT BIKE, a Vietnamese electric motorbike manufacturer, and achieved the installation of our first e-Axle products. We are also working on the challenging development of a collaboration-based business model. This movement is becoming a pillar of new growth in the electrification of mobility.

As for the automobile market, the progress of electrification is not uniform with significant differences between countries and regions. In the United States, the demand for hybrid vehicles has increased while gas vehicles also maintain a certain presence. In China, on the other hand, new energy vehicles (NEV) are rapidly increasing. In this context, the Group is continuing the supply of clutch products while promoting the business expansion of products for hybrid vehicles.

In addition, with a view to the medium to long term, we have started the preparation for mass production of them for major EV manufacturers in China and the United States by advancing the development and order intake of laminated motor cores and aluminum die-cast products. We are transforming the portfolio of our automobile business flexibly based on the technologies cultivated through the flagship clutches business in order to follow the transition to electrification. We place importance on writing a scenario for sustainable growth from a long-term perspective, not being at the mercy of short-term fluctuations in demand.

New value creation through horizontal deployment of technologies

F.C.C. is not merely a manufacturer; one of its advantages is the technological capability of combining materials, structures, and functions optimally. We deploy these core technologies to domains other than mobility to grow new business that can contribute to solving social challenges. For the semiconductor industry, for example, we have developed and begun to sell ceramic setters used as firing support. For the battery field, we have introduced a pilot line for carbon nanotube conductive auxiliaries while working on preparation for mass production. We have already started the supply of those products to customers, getting positive responses from the markets. In addition, we are actively working on global issues, such as achieving carbon neutrality and addressing the circular economy. We will navigate the era of change powerfully by positioning both the mobility business and the non-mobility business as our growth path.

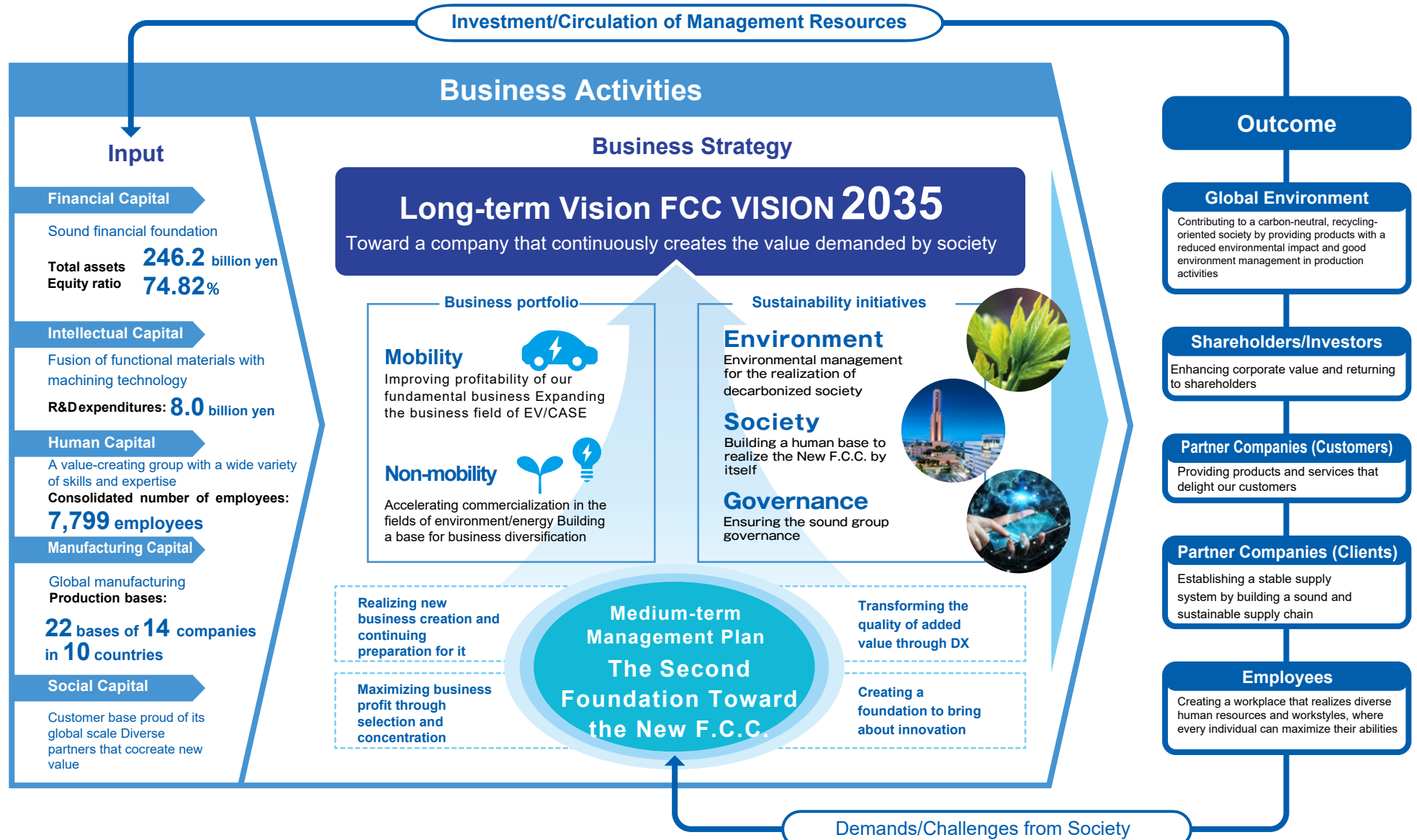
Taking on responsibility and challenges for the future

I think the F.C.C. Group has fostered the *attitude of continuing to take on challenges without fearing change* since its foundation. Indeed, we have realized sustainable growth from our solid techniques and human resources while changing the business structure flexibly in response to the needs of the times.

The new F.C.C. that we pursue is a company that continues to provide new value in both the mobility and non-mobility domains. In order to achieve it, we will work on the environmental improvement and foster a corporate culture so that each of our employees can energetically continue to take on challenges. Even in the era of transformation, F.C.C. will not stop its evolution. We will continue to proceed toward sustainable growth and enhancement of our corporate value together with our stakeholders in the future.



Value Creation Process



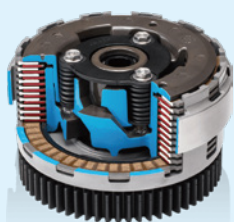
● Climate change ● Digital transformation ● Diversification of consumption/behavior trends ● Geopolitical risks etc.

*All figures are as of fiscal 2025 ended on March 31.

Business Overview

Motorcycle Business

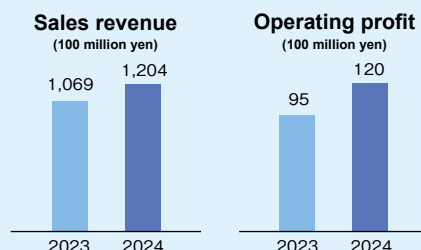
Manufacturing and sales of clutches for motorcycles, scooters, ATVs (buggies), and products in the EV/CASE domain



Multi-disc clutch



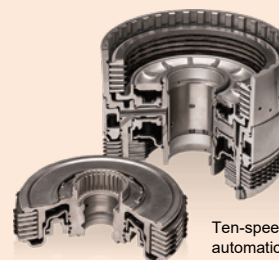
Motor assembly



Because of the increase in the sales of clutches for motorcycles in India and Indonesia, as well as the weak yen, sales revenue was 120.4 billion yen (up 12.6% from a year earlier), and operating profit was 12.0 billion yen (up 26.6% from a year earlier).

Automobile Business

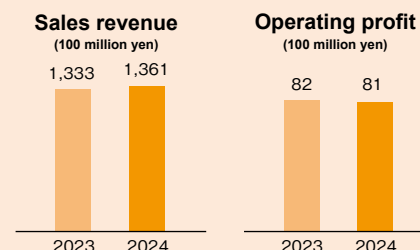
Manufacture and sales of clutches for manual and automatic transmissions and products in the EV/CASE domain



Ten-speed automatic transmissions clutch



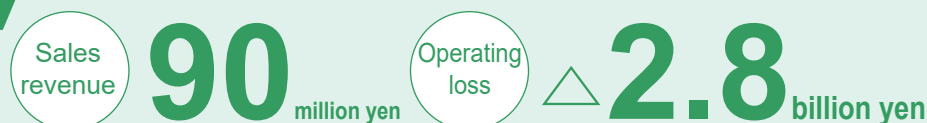
Motor core



Despite the decrease in the sales of clutches for automobiles in China and the United States, sales revenue was 136.1 billion yen (up 2.1% from a year earlier), and operating profit was 8.1 billion yen (down 2.2% from a year earlier) because of the weak yen.

Non-mobility Business

Manufacturing and sales of products and providing services in the fields of the environment and energy



Sales revenue was 90 million yen (up 453.5% from a year earlier), and an operating loss of 2.8 billion yen (operating loss of 2.7 billion yen in the previous year) was incurred.

Focus on Businesses



Motorcycle Business

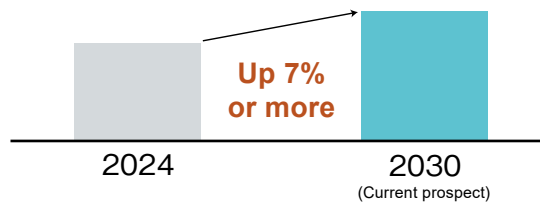
Flagship clutches

(Update on the market demand and our focus)

Business expansion with India as a main target is progressing smoothly. -We will continue aiming at maintaining and expanding the position as a global market leader.

Global demand forecast about motorcycle ICEs (Based on the number of motorcycle ICEs)

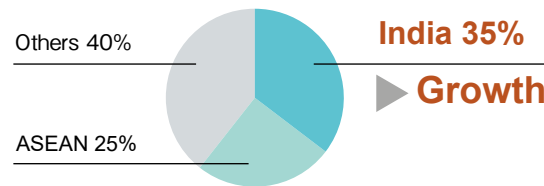
*Based on our own research



Mainly driven by India and the next growth market.
The market is forecast to grow until 2030.

Demand for motorcycle ICEs by region

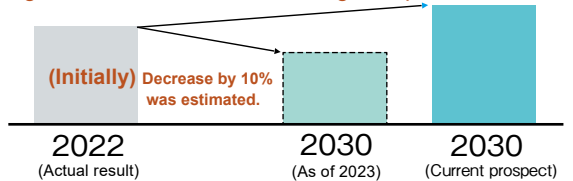
*FY 2024
(Based on our own research)



The Global South will be the center of growth, and India particularly is prospective.

Demand outlook for our motorcycle business (based on the number of motorcycles with ICEs)

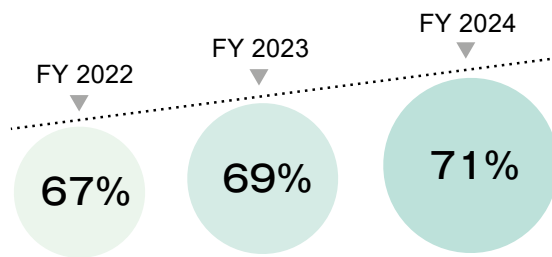
We aim for positive growth by expanding sales into growth markets and introducing new products to them.



At the time of preparing the Medium-term Management Plan

Outlook for 2030: Down 10% from 2022 ⇒ +Up 7% or more

Change in our share in India



Achieved more than 70% in the second year of the 12th Medium-term Management Plan.



Market

- India, which accounts for around 40% of the global market, will continue to show significant growth potential in the future.
- Growth of motorcycles, particularly that of scooters, will accelerate.



Strategy

- Aggressive sales expansion to all motorcycle OEMs in India.
- Domestic demand + sales expansion to the Middle East and Africa with India as the hub.
- Introduction of automatic starting clutches (highly value-added)

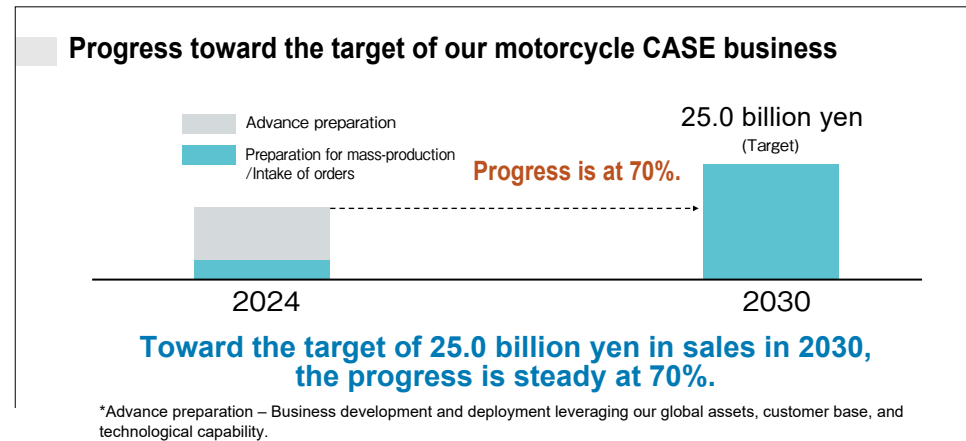
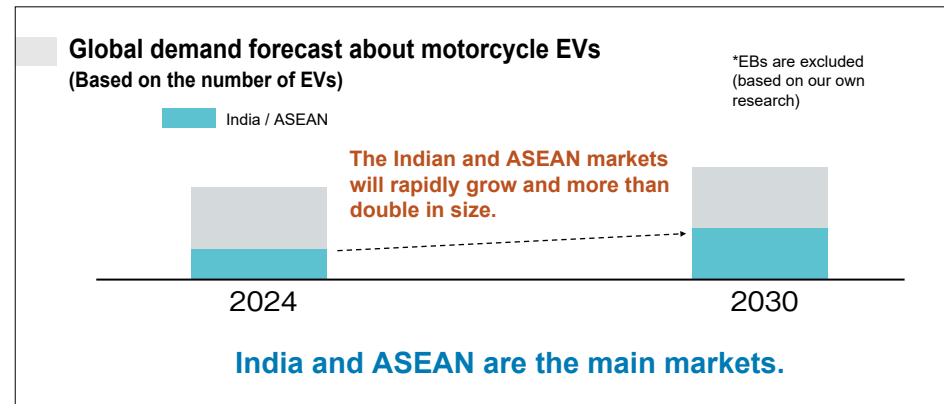
For further expansion of our market share

Primary focus

Development of less-expensive clutches (for cost competitiveness) / Expansion of the mass-market segment irrespective of small or high-powered motorcycles / Expansion of the aftermarket

Motorcycle Business | EV and CASE

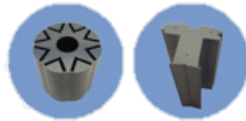
The business is expanding, particularly in India and ASEAN, by leveraging our global assets, customer base, and technological capability fostered through the core business.



Strategy and focus

Electric core components

Motor cores etc.



Starting the mass production of electric core components and the expansion of the lineup

Motor cores: Orders received from HONA
Mass production started in FY 2024 (India/Indonesia)

Components for EV bodies: Orders received from several overseas
Mass production started in FY 2024 (Vietnam/India)

For other core components, we promote development and sales expansion.

Power units

Motor assembly, PCU/ VCU



Received orders for our unique e-Axle to proceed with the development and preparation for mass production.

Entered into a business alliance with DAT BIKE, a Vietnamese electric motorbike manufacturer.

➔ **Installation of our unique e-Axle**
We become a strategic partner for expanding the business from Vietnam to the ASEAN countries.

New
Our e-Axle



dat.bike × **F.C.C.**

Further added value

Data business/
Application service

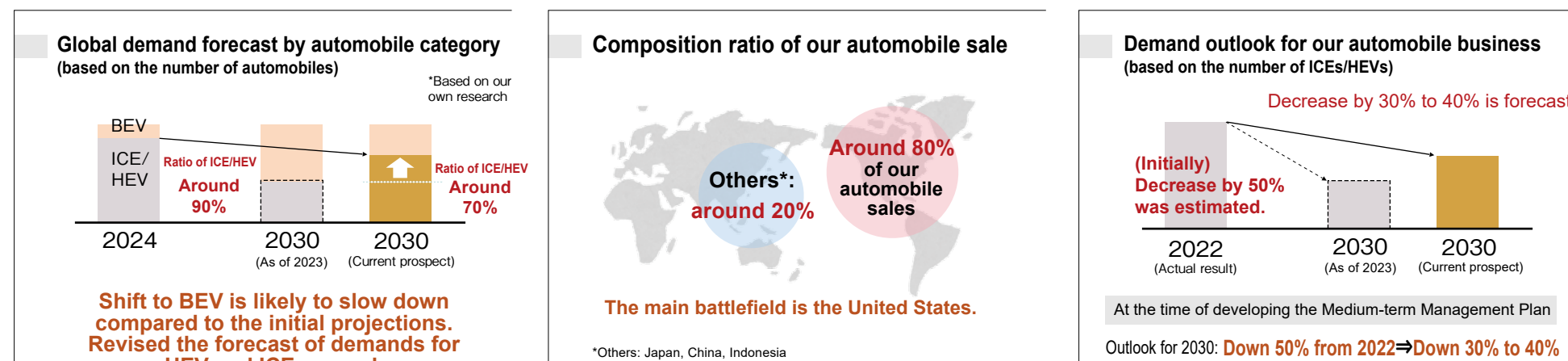


Promoting B to B and B to C business development through know-how in manufacturing × alliance.

- Entered into a partnership with Rebright Partners through LP investments in a fund
- Embarked on the digital service business development and chose sourcing targets.

Automobile Business | Flagship clutches/EV and CASE (Update on the market demand and our focus)

We focus on HEVs in the United States while strengthening our responses in line with the trends of ICE/HEV/BEV.



Progress by category and strategy

Category	Change in the market and F.C.C.'s response	Progress and strategy	
ICE/HEV	The United States as the main battlefield We use the ICE production line for HEVs to continue maintaining a profitable status.	US: Sales of HEVs are expanding, so resources for development are reinvested. We make maximum use of the resources in response to market trends for driving cash generation.	
BEV	The sales of BEVs are currently slowing down. In the mid-to-long term, the shift toward BEVs is likely to progress. We invest our assets and know-how fostered through the ICE/HEV business.	Laminated motor cores Submodule business	China: Started preparation for mass production of laminated motor cores → Business expansion to the United States, India, and Japan
		Aluminum diecast Thermal management business	US: Received orders for aluminum cases and aluminum heat sinks for in-vehicle electronic devices China: Received orders for components for electric vehicles

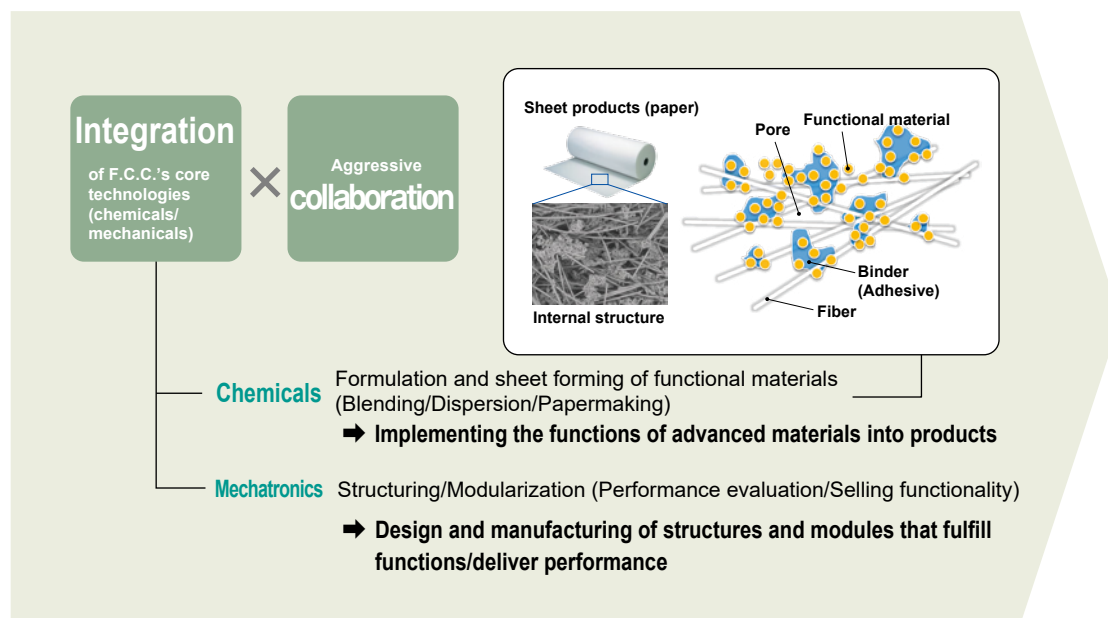
No-mobility Business

As for setters and conductive auxiliaries in the growing market, we launch them partially and prepare for mass production. On the other hand, sales in FY 2025 are expected to fall short of the target because of the delayed launch. (Target: 3.0 billion yen
➡ Around 0.3 billion yen)

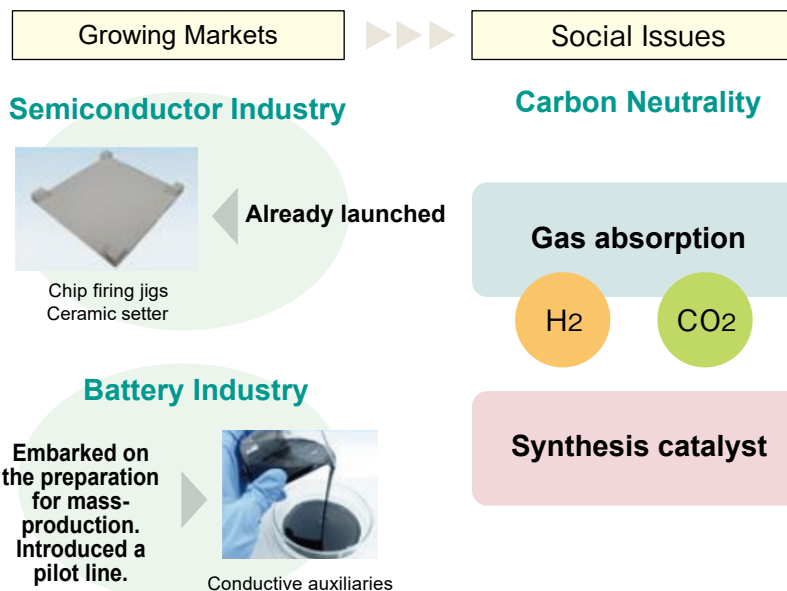
Future focus

For new business creation toward 2030, we redesigned resource allocation on a short-term and long-term basis.
(Digging into the core technologies and defining target areas)

Digging into the core technologies



Target areas

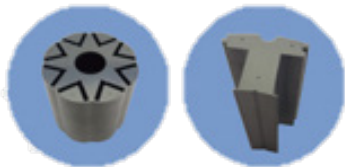


Topic 1

A firm step toward the electrification field

The Group is accelerating business development in the electrification field in order to address the next-generation transformation of the mobility society. In February 2025, we newly received orders for laminated motor cores for ACTIVA e and CUV e: for Honda's motorcycles and began mass production in India and Indonesia. In May 2025, we entered into a basic agreement on a capital and business alliance with DAT BIKE, a Vietnamese electric motorbike manufacturer, and in September of the same year, we announced the execution of a capital investment agreement. We will strengthen the business development further in the ASEAN market through the supply of electric core components, the first installation of our unique e-Axle, joint development of connected service, etc.

■ New order intake/Laminated motor cores for HONDA electric motorcycles



Laminated motor cores for electric core components



Electric motorcycle ACTIVA e:

■ Built a strategic partnership with an electric motorcycle manufacturer DAT BIKE.



Entered into a capital investment agreement with DAT BIKE.



FCC e-Axle

Company name: DAT BIKE PTE. LTD.
Location: 20A Tanjong Pagar Road Singapore 088443, Singapore
Representative: Nguyen Ba Canh Son, Representative Director
Details of Business: Development, manufacturing and sales of electric motorcycles, and provision of related services

Topic 2

F.C.C. TSR Honda France – FIM Endurance World Championship

We support the activities of F.C.C. TSR Honda France in the FIM Endurance World Championship (EWC) for motorcycles. They successfully won the second round of the Eight-Hour Endurance Race of Spa held in June 2025 and finished sixth in the overall annual ranking.

For the further improvement of the durability and reliability of the technology for our clutches, which constitute our core business, we will continue to feed back the technology polished through motor sports for development and improvement in order to enhance our competitiveness. We appreciate your continued support.



Environment

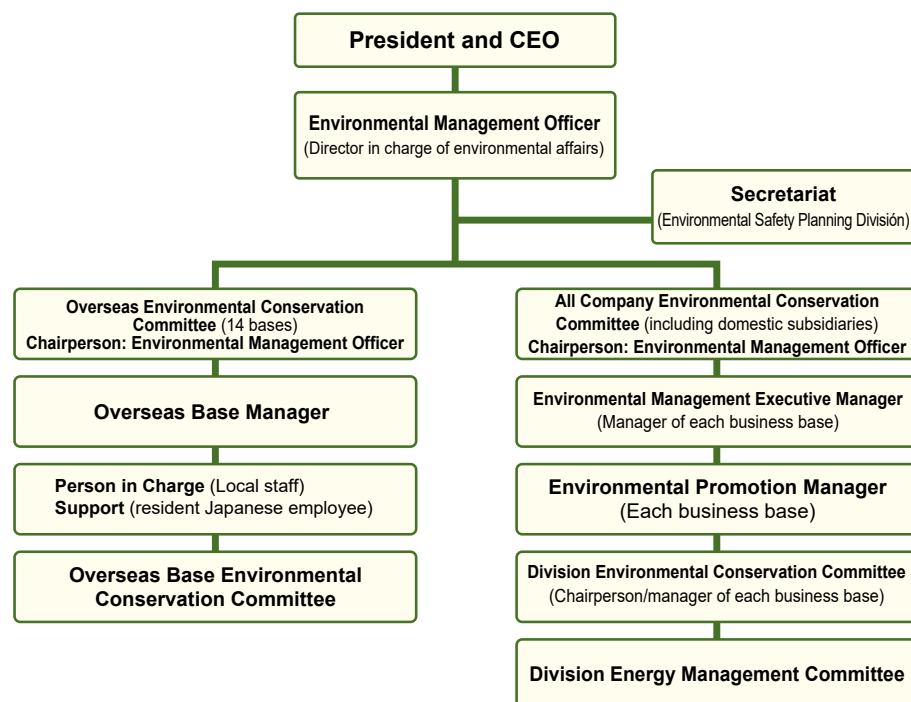
Environment

Focus on Environment

Environmental Management

Management System

The Group has a system chaired by the environmental management officer and centered on the All Company Environmental Conservation Committee for domestic bases and the Overseas Environmental Conservation Committee for overseas bases, which supervises and handles all issues related to environmental improvement. We are working on effective environmental conservation activities on a group-wide basis through sharing and deploying the wealth of information and knowledge gathered from many regions by taking advantage of many bases we have. In addition, an environmental conservation committee is regularly held at each base to work on continuous improvement and management by verifying compliance with laws and regulations and monitoring the activity statuses.



ISO 14001 Certification

We obtained ISO 14001 certification in our major production bases and sites related to production, including the head office, working on continuous improvement based on the environment management system. Some sites (sales offices, holding companies, overseas sales sites, etc.) are not subject to the acquisition of the certification because the environmental burden is limited; however, these sites also implement the operational management of environment following our environment policy and the requirements of ISO 14001. Through those activities, we make continuous efforts for the reduction of an environmental impact on a company-wide basis.

• ISO14001: Domestic 8 bases/Overseas 13 bases

[⇒ Corporate Website \[Environmental Management\]](#)

Management Review

In accordance with ISO 14001, an environmental management review is conducted by management once a year to ensure that the environmental management system is appropriate, adequate, and effective. In addition, activity performance review meetings are held semiannually where the president and the director in charge of the environment visit each domestic base and conduct on-site verification of the status of activities.

Environmental Audits and Compliance with Laws and Regulations

Based on ISO 14001, we implement an audit using an external certification body and an internal environmental audit once every year. In FY 2024, there were no serious issues pointed out externally, including compliance with laws and regulations.

Environmental Risk Management

Each business base implements response drills for accidents and emergencies that may cause environmental pollution. The treatment procedures are clarified, and periodic drills are conducted to familiarize and improve procedures. In FY 2024, no serious environmental emergent accidents occurred.



Emergency Drills:
Blocking of drums

Information Disclosure Based on the Recommendations from TCFD

The Group identifies the transition risks and physical risks that climate change poses to the business as well as opportunities provided by those risks to enhance our commitment to the realization of a sustainable society. Based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we promote information disclosure according to the four elements, in other words, Governance, Strategy, Risk Management, and Metrics and Targets. For scenario analysis, we use not only the typical IPCC concentration pathway scenarios (RCP 8.5 and 2.6) but also IEA's (International Energy Agency) Sustainable Development Scenario (SDS) for the evaluation of the impact of our business activities.

Governance

For the Group's promotion system addressing issues related to climate change, we have the All-Company Environmental Conservation Committee chaired by the Environmental Management Officer for domestic bases and the Overseas Environmental Conservation Committee for overseas bases in place. These committees are held on a regular basis, working toward medium- to long-term goals in the environmental field, including the response to climate change, identifying risks and opportunities, analyzing the impact, and implementing the promotion and monitoring of countermeasures. In addition, for important climate-related matters referred to and reported through the Environmental Conservation Committees, we have a system where the annual business plan is changed on an as-needed basis, and the change is reported at the management meeting and approved by the board of directors. Furthermore, an environment management organization is also established in each business base to actively promote activities for energy-saving, resource conservation, and waste reduction to reduce CO₂ by reflecting the policies and initiatives determined in the Environmental Conservation Committee and others for the purpose of achieving the goals.

The board of directors receives reports on risks and opportunities in relation to climate change and supervises whether proper measures are taken.

⇒ [P31 Corporate Governance Structure](#)

Risk Management

The Group evaluates and manages the risks of climate change using the ISO 14001 environment management system. We identify physical risks (such as natural disasters) and transition risks (such as change in regulations) and implement the proper measures against them.

Strategy

In order to specify the risks and opportunities related to climate change that may impact the Group's business, we referred to the external scenarios developed by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) as a benchmark. In addition, we verified the scenario analyses related to the automobile industry, and extracted climate-related risks and opportunities by assuming scenarios comprehensively through comparison with our recognition of the business environment stated in VISION 2035, the Group's long-term vision setting forth "Toward a company that continues to create value required by society," and analyzing the differences between the scenarios and the medium- to long-term visions. For the definition of the scenarios, all business sites, including overseas ones and subsidiaries, were subject to the analysis, and two scenario types, in other words, the 4°C scenario (the world in which global warming will progress) and the 1.5°C scenario (the world that will shift to a low-carbon society) were assumed for the dual axes of physical risks and transition risks.

Indexes and Targets

For realizing carbon neutrality, the Company, which is aiming at reducing greenhouse gas (GHG) emitted directly from our business activities by 50% compared to FY 2013 levels by FY 2030 and achieving carbon neutrality (net zero emissions) by 2050, promotes the active use of regenerated energy through energy-saving activities and the shift to electricity from renewable energy sources.

The GHG emissions in FY 2024 increased from the reference year (compared to FY 2013 levels) to 140,674 tons but reduced by 6% from the previous fiscal year owing to energy-saving measures and the introduction of renewable energy. We will continue to promote further measures for achieving our GHG emissions reduction targets.

【CO₂ emissions】

1. The actual results used on this page are calculated based on the standards specified by the Group.
(Calculated according to the standards in the domestic market, and partly according to the location standards for overseas.)
2. The CO₂ emissions on this page include the effect of reduction made through non-fossil certificates, including IREC, and renewable energy, etc.

Major Risks/Opportunities Posed by Climate Change and Response to Them

Type of risks/opportunities		Period when they emerge	Scenario	Impact on business	Potential risks/opportunities	Responses to risks/opportunities
Transition	Government policies/Laws and regulations	Short to long term	1.5°C	Large	<ul style="list-style-type: none"> - Increased business cost contributions due to political measures, including the introduction of carbon taxes and renewable energy - Increased business cost contributions due to the change to environmentally friendly raw materials by suppliers, which is passed on to prices 	<p>Promoting decarbonization during production/transportation, including those by suppliers</p> <ul style="list-style-type: none"> - Improvement of efficiency in production, transportation, etc. - Utilization of decarbonized or low-carbon energy - Promotion of installing high-efficiency equipment - Consideration of introducing inter-carbon pricing for the activation of energy saving and the promotion of installing energy-saving equipment - Continued promotion of energy-saving activities, including those by suppliers <p>Consideration of introducing inter-carbon pricing</p> <ul style="list-style-type: none"> - Collection and consideration of domestic and overseas information on options such as regenerated energy, non-fossil certificates, and credits
	Technologies	Mid to long term		Large	<p>Lost sales opportunities due to delays in technological development</p> <p>Increase in the costs of equipment for decarbonization</p>	<p>Providing new value for mobility electrification capitalizing on F.C.C.'s core technologies</p> <ul style="list-style-type: none"> - Start of the preparation for mass production in the motorcycle EV/CASE business domain - Start of the preparation for mass production in the automobile motor core submodule business domain - Development of the various aluminum die-cast products to meet the needs for next-generation mobility <p>Promoting decarbonization by installing energy-saving equipment</p> <ul style="list-style-type: none"> - Minimization of energy consumption through labor saving and efficiency improvement in production <p>Promoting environmentally friendly design</p> <ul style="list-style-type: none"> - Reduction of raw material use through environmentally friendly design, such as reducing weights and chemical substance use integrated during the design of products and services
	Market trend	Mid to long term		Medium	<ul style="list-style-type: none"> - A delay in the LCA response while customers are more likely to select procurement products from the LCA perspective, which will result in decreased demand from customers - Increased demand for reduction of lifecycle CO₂ from automotive manufacturers - Increased costs caused by securing electric power sources and electric energy due to shift from fossil fuel to recyclable energy (the supply-demand crunch of renewable energy because of the increase in demand), as well as a price rise in recyclable energy 	<p>Enhancing response to CO₂ emissions reduction from the LCA perspective according to market trends and customers' demands</p> <ul style="list-style-type: none"> - Strengthening of LCA response throughout the supply chain <p>Deploying energy-saving activities for reducing CO₂ emissions</p> <p>Globally introducing clean energy/renewable energy in power generation</p> <ul style="list-style-type: none"> - Sales expansion of products that contribute to carbon neutrality through energy solutions
	Reputation	Mid to long term		Medium	<ul style="list-style-type: none"> - Decrease in sales due to the evaluation of commitment to climate change issues and change in the values of markets 	<p>Monitoring the goal achievement status according to the roadmap</p> <p>Energy-saving activities accompanied by production activities, introduction of renewable energy, CO₂ reduction through products, environmental contribution</p>
Physical	Reputation	Short to long term	4°C	Large	<p>(Acute risk) Intensification of typhoons, floods, droughts, etc.</p> <p>Change in climate patterns</p> <p>(Chronic risk) Risks to business continuity due to climate change-related weather disasters, such as sea level rise and temperature rise</p>	<p>Planning and enhancing countermeasures based on the potential risks</p> <ul style="list-style-type: none"> - Considering the conditions of location, layout of facilities, and change in climate patterns when constructing a new factory with the flood damage in mind - Strengthening of the risk-based countermeasures per manufacturing base on the basis of the results of risk assessments - Strengthening of the supply chain BCP
Opportunities	Products/Services/Markets	Mid to long term	1.5°C	Large	<p>Enhanced market value and increased profits through increased sales of innovative products (services) that lead to contribution to climate change mitigation and adaptation</p> <ul style="list-style-type: none"> - Increased demand of related products by promoting electrification - Increased needs for air purification products, such as ones for CO₂ removal, for achieving carbon neutrality - Expanded renewable energy business - Increased demand for low-carbon/energy-saving products 	<p>Developing new products that contribute to carbon neutrality through our core technologies and collaboration with other companies</p> <ul style="list-style-type: none"> - Development of reforming-integrated SOFC with high power generation efficiency that enables power generation with biofuels - Contributing to achieving high efficiency in batteries using carbon nanotube (conductive auxiliaries etc.) - Development of air purification technologies, such as gas (CO₂ etc.) absorption, by utilizing our unique technologies of papermaking, film coating, catalysts (honeycomb structure), and firing jigs with high thermal efficiency - Development of highly efficient and long-life water-treatment membrane (UF/RO membranes) - Providing technologies that contribute to energy saving by light-weighting vehicles and reducing the cycle time through the joining of dissimilar materials using the joining technology cultivated in fundamental businesses

*Impact

Large: Impact caused by suspended, significantly reduced or expanded business operation is expected.

Medium: Impact on part of business is expected.

Small: Excluded from disclosure.

*Time scale

Short term: Not more than a year

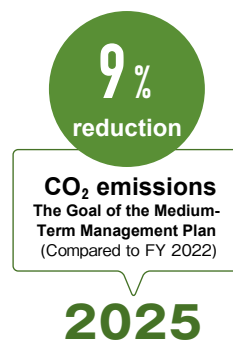
Medium term: One to three years

Long term: Five years or more

Environmental Goals toward Carbon Neutrality and Results

The Group has set mid- to long-term environmental goals of reducing GHG emissions by 50% compared to FY 2013 levels by FY 2030, aiming at achieving carbon neutrality by 2050. In addition, we have also set goals for reducing the overall environmental impact, including those for the reduction of waste emissions, reduction of water resource consumption, and management of hazardous chemicals, and are actively working on them. The GHG emissions in FY 2024 (calculated according to the standards specified by the Company) were 140,674 tons, resulting in an increase compared to the reference year levels and a decrease of 6% from the previous fiscal year, and domestically we achieved the reduction of CO₂ emissions by 26% compared to FY 2022 levels. This is the outcome of the measures for energy saving and the introduction of renewable energy. Waste emissions increased by 2% from the increase in workload and other causes. As for water resource consumption, we achieved a reduction of 8% as a result of improvement in the production efficiency by the Suzuka factory. For hazardous chemicals, we are pushing ahead with the reduction of substances regulated by law by developing alternative technologies in the R&D Center and ensuring compositional evaluation at all bases. We will contribute to the realization of a sustainable society through technological innovation and continued improvement in the future as well by identifying issues correctly for the achievement of the environmental goals.

The Goal of the Medium-Term Management Plan



*We have set a 3% reduction compared to FY 2019 as a goal of the midterm management plan for FY 2020 to FY 2022 and worked on it.

Long-Term Goals



*We have reviewed our goal of reducing CO₂ emissions for the Group's business activities and are aiming for a 50% reduction (compared to FY 2013) by FY 2030 and essentially zero emissions by FY 2050, thereby further accelerating the response to climate change as the entire Group.

Goals of FY 2024 and Results

Items to Address	Management Items	FY 2024 Goals	FY 2024 Results
1 Reduction of CO₂ emissions	Total CO ₂ emission at all bases (compared to FY 2013)	All bases: 6% reduction compared to FY 2022	Domestic bases: 26% reduction Overseas bases: 4% increase *Because of the increase in workload Overall F.C.C. Group: 0.58% reduction *(Reduction through energy saving, non-fossil certificates including IREC, renewable energy, etc.)
2 Reduction of waste emissions	Total waste emissions that require treatment cost	Domestic bases: Equivalent to or less than the waste emission factor of FY 2022	2% increase *Because of the increase in workload
3 Reduction of water resource consumption	Total water resource utilization: 8,928 tons	One domestic base: 2% reduction compared to FY 2022	Suzuka factory: 8% reduction [Reference value] Overall Japan: 4% reduction *Production efficiency improved
4 Management of hazardous chemicals	Reduction of environmentally impacting substances	<ul style="list-style-type: none"> R&D Center: Development of alternative technologies for the reduction of contained substances Domestic factories: Reduction of in-process substances regulated by law Other domestic bases: Compositional evaluation of newly purchased products 	<ul style="list-style-type: none"> R&D Center: Conducted evaluations on development themes Other division: Verification at the startup of mass production and evaluation of composition of newly purchased products

[About CO₂ emissions] 1. Values of goals and results used on this page are calculated on the basis of the standards specified by the Group. (Calculated according to the standards in the domestic market, and partly according to the location standards for overseas.)
2. The CO₂ emissions on this page include the effect of reductions made through non-fossil certificates, including IREC, and renewable energy.

Initiatives for GHG Emissions Reduction

Initiative for CO₂ Emissions Reduction through the Introduction of Renewable Energy

For realization of a sustainable society, we have promoted the phased introduction of renewable energy since 2023 while considering the environment. As part of the initiative, we have shifted 100% of the electricity purchased at all the bases, excluding those of domestic subsidiaries, to renewable energy-derived CO₂-free electricity since January 2025. In particular, the bases in Shizuoka Prefecture and Mie Prefectures have introduced hydropower-derived CO₂-free electricity (Shizuoka Green Denki and Mie Umashi-kuni Green Denki) provided by Chubu Electric Power Miraiz Co., Inc., by promoting the use of electricity exploiting local natural resources. Thus, we have established a system for the stable use of low-environmental-impact electricity in the operational areas of offices, R&D, and manufacturing. We will continue to work on the realization of decarbonated society for the future with eco-friendly business operation in mind.

地球にやさしく、未来をあかるく。



地球にやさしく、未来をあかるく。



Results of Energy Saving Diagnosis / Development of Energy Saving Diagnostics

The Group is continuously working to improve efficiency in energy use and to reduce the environmental impact for the realization of a sustainable society. The Company's specialized department primarily conducts the Energy Saving Diagnosis of not only the domestic bases but also subsidiaries' factories and overseas bases.

With this diagnostic, areas for improvement in facilities and operational methods are identified to reduce energy use through specific improvement recommendations. We support improvement activities conducted in each base based on the results of the diagnosis, which leads to enhancing the energy-saving effect of the overall Group. We will continue to satisfy both the reduction of environmental impacts and improvement in energy efficiency by adopting specialized knowledge and on-site activities for improvement in order to contribute to sustainable value creation.



Participated in the Shizuoka Prefectural Project for the Promotion of Renewable Energy-Sourced Electricity Utilization

Low carbonization by the Use of Clean Energy

The Group is actively promoting the decarbonization of the energy that we use in order to address climate change and realize a sustainable society.

In FY 2022, we started the use of bioethanol fuel for company vehicles at FCC DO BRASIL LTDA. Since the renewable fuel is produced from plant-derived ingredients, such as sugarcane, and is substantially able to reduce GHG emissions during the combustion, it contributes to the reduction of environmental impacts.

We will continue to accelerate efforts for decarbonization globally by considering and introducing clean energy tailored to local characteristics in each base.

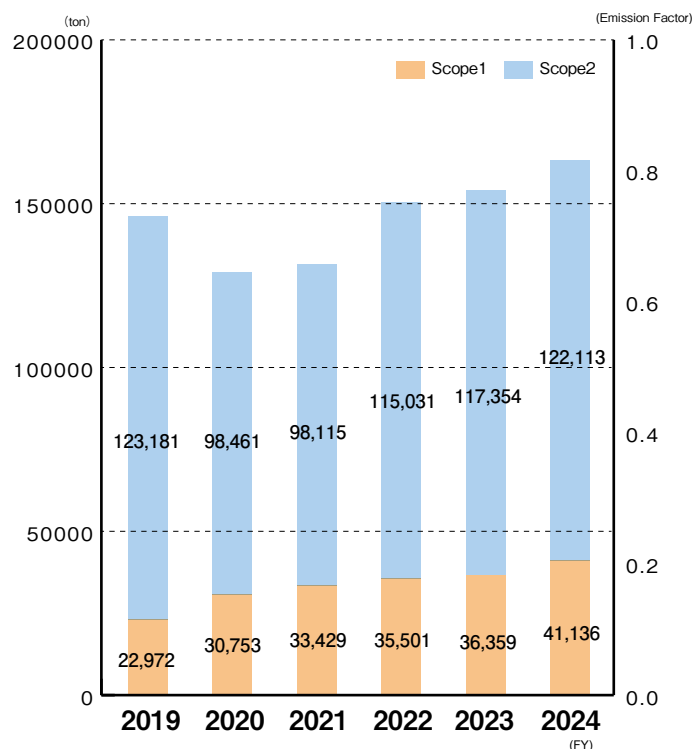
Utilization of Photovoltaic Electricity Generation

The Group is actively promoting the introduction of renewable energy for the purpose of reducing greenhouse gas (GHG) emissions. In March 2024, a photovoltaic facility was installed at the Hamakita factory to start power generation. This contributes to the reduction of Scope 2 emissions through the self-consumption of electricity within the premise. In addition, the installation of a photovoltaic facility was completed at the Watagashima factory in February 2025 and started operation based on an on-site PPA model. All of the electricity generated by the facility is self-consumed within the factory. We will continue to work on realization of a decarbonized society by expanding the introduction of renewable energy in each base for the future.

GHG Emissions

For the reduction of GHG emissions throughout the domestic and overseas supply chains (Scopes 1, 2, and 3) toward 2050, the Group is making steady progress in the promotion of thorough energy saving, replacement with highly efficient equipment, and the implementation and operational optimization of measures based on energy-saving diagnostics.

Change in CO₂ Emissions



Total GHG Emissions in FY 2024 5,225,433 t-CO₂ (domestic/overseas)

Unit: t-CO₂

Scope 3 Upstream

1. Goods and services purchased	1,662,425
2. Capital goods	8,198
3. Activities related to fuels and energy	23,422
4. Upstream transportation/logistics	219,396
5. Waste generated in businesses	8,928
6. Business trips	1,014
7. Commuting of employees	6,590
8. Upstream lease assets excluded from the calculation	

Total **1,929,973**

Scope 1 & 2 Our Company

— Scope 1 — Direct emissions (Fuel combustion)



The Company's direct GHG emissions
(fuel combustion, industrial processes)

— Scope 2 — Indirect emissions (Use of electricity)



Indirect emissions from the use of electricity/heat/steam supplied by other companies

Total **163,249**

Scope 3 Downstream

9. Downstream transportation/logistics	11,275
10. Processing of products sold	129,929
11. Use of products sold	2,985,949
12. Disposal and treatment of products sold	5,058
13. Downstream lease assets Excluded from the calculation	
14. Franchises Excluded from the calculation	
15. Investment Excluded from the calculation	

Total **3,132,211**

[About CO₂ emissions] The standards for calculating the data above are different from those for the values provided in the Environmental Goals toward Carbon Neutrality and Results on page 16.

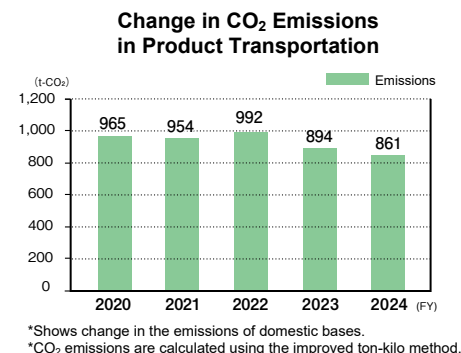
1. Data on this page show the values from the data scheduled for third-party verification (calculation standards: location standards). The values may change because they are before the third-party verification.

2. The Scope 2 emissions on this page do not include the effects of reduction made through non-fossil certificates, including IREC.

CO₂ Emissions in Product

Transportation

The Act on Rationalizing Energy Use was amended in 2006, and energy-saving efforts have been required in the transportation sector as well. With the cooperation of our clients, the Company is working to identify/reduce CO₂ emissions during transportation.



Green Purchasing and Procurement

We require our partner companies to submit the FCC Green Procurement Compliance Statement. We share the list of environmentally impacting substances based on the GADSL list, environmental policies and standards, and other rules and are working together for environmental improvement activities.

Environmental Inspections of Partner Companies

With the aim of promoting environmental management throughout the supply chain, we visit partner companies that have not yet officially certified nor self-declared the environmental management system for the purpose of sharing environmental information.

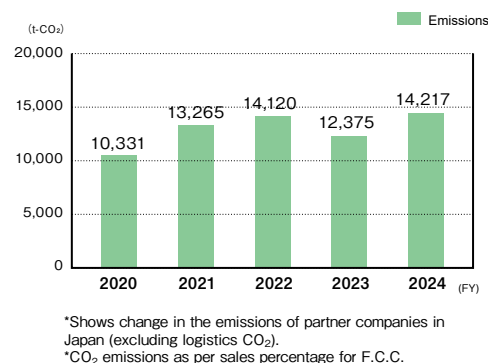


Checking the final drainage ditch witnessed by the partner company

Partner Company Environment Data

As part of our responsibility to reduce the environmental impact of all corporate activities and product use, we have been conducting CO₂ emissions surveys of our partner companies since FY 2008 based on the concept of life cycle assessment (LCA), which evaluates the environmental impact of products over their lifetimes. The ultimate goal is to quantitatively identify and eventually reduce the total amount of CO₂ emissions in all areas of corporate activities (production, purchasing, sales, offices, logistics, etc.).

Change in CO₂ Emissions of Partner Companies



Identifying Other Data of Partner Companies

Waste emissions	FY 2020	2,142ton
	FY 2021	2,633ton
	FY 2022	2,386ton
	FY 2023	4,609ton
	FY 2024	5,295ton
Water resource consumption	FY 2020	24,771m ³
	FY 2021	59,390m ³
	FY 2022	46,926m ³
	FY 2023	55,556m ³
	FY 2024	63,823m ³

*Waste emissions and water consumption as per sales percentages for F.C.C.

Efforts for Efficient Resource Use

Waste Reduction

In 2004, the Group achieved zero emissions (less than 1.0% of landfill waste in the final disposal per total amount of waste emitted) to eliminate the landfilling of industrial waste, and since then the Company has maintained zero emissions while promoting the improvement of the level of sorted emissions for recycling and the reduction of the generated amount of waste through countermeasures for the sources. We are working to reduce emissions of valuable substances (paper and waste plastics) from the viewpoint of reducing the use of resources. In addition, from the product development stage, we are working to resource conservation for metal materials and are striving to make effective use of limited resources.

Result of FY 2024

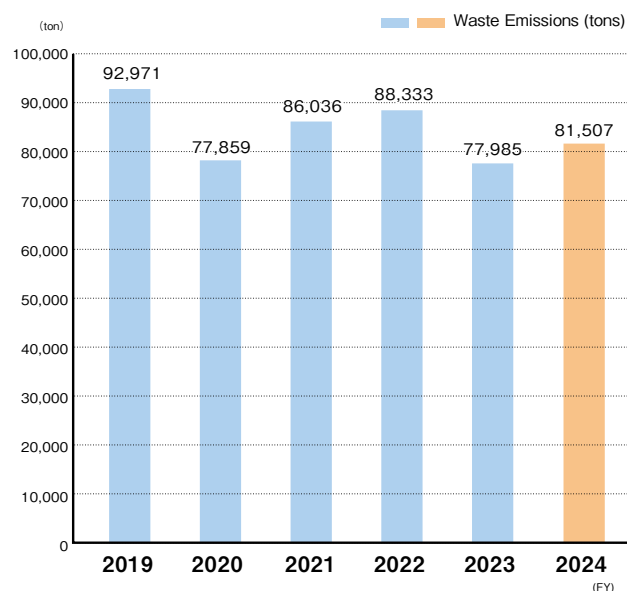
Waste Emissions

Compared to FY 2023
4.5% Increase
Compared to FY 2019
12.3% Reduction

Recycling Rate

99.1 %

Change in F.C.C. Group Waste Emissions



*Zero emissions have been achieved. / "A recycling rate of at least 99%" is defined as zero emissions by the Company, which means no final disposal of waste (landfill) is conducted.

Reduction of Packages and Packaging Materials in Logistics

To reduce the environmental impact associated with logistics, we are actively promoting initiatives to reduce the amount of usage of packages and packaging materials. Using environmental testers (a constant temperature and humidity chamber) to reproduce the temperature and humidity in the transportation process, we were able to package products in a way that matched the transportation environment and product characteristics, resulting in the effective use of materials and waste reduction while ensuring product quality.

Effective Use of Water Resources

As a group with a papermaking process that uses a large amount of water resources, we have been making a major effort to save water since 2010, and the entire Group has been monitoring the water intake volumes separately for each source. In addition, for the reduction of the use of water resources, we have realized the sustainable use of water resources by some approaches that include the treatment of the water used in the production process for reuse and improvement in the efficiency of water use to contribute to a reduction in the environmental impact.

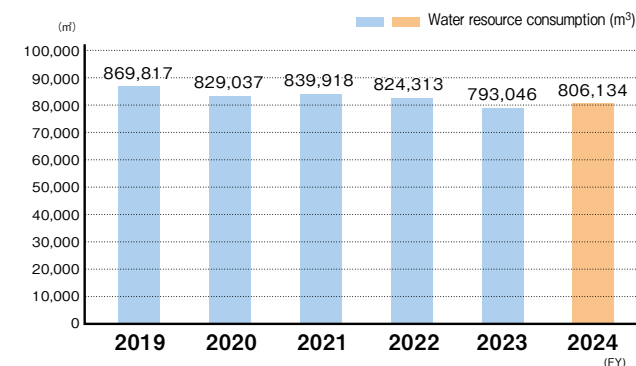
Recognizing that water is an indispensable resource for people living in the world, society, and our businesses, we will continue to promote planned reductions in water consumption.

Result of FY 2024

Water Resource Consumption

Compared to FY 2023
1.7% Increase
Compared to FY 2019
7.3% Reduction

Change in F.C.C. Group Water Resource Consumption



Environmental Education and Communication

Promotion of Environmental Education

We promote activities that raise awareness and activate behaviors using in-house digital signages, the intranet, and in-house bulletins. In-house digital signages foster consciousness and raise awareness among every employee by sharing the basic environmental knowledge and the latest environmental information. We also introduce environmental information in our in-house bulletins. We will continue the effort to foster environmental consciousness and to raise awareness not only among employees but also among their families.

Strengthening of Environmental Information Disclosure

In order to properly disclose activities for addressing climate change that we are working on, the Company has been participating in the CDP Climate Change Survey, which is one of the corporate assessment programs on climate change offered by CDP, an international NPO, and responding to CDP since FY 2018.

Implementation of Third-Party Audits of Environmental Data

In response to the increasing demands for transparency and the reliability of environmental information, the Company has undergone a third-party audit of its greenhouse gas (GHG) emissions data conducted by SGS Japan Inc. since 2018 and discloses the data on its website.

⇒ [SGS Japan Inc. Third-Party Verification Opinions](#)

Know-How on Energy Saving Policies Cultivated in Japan to ALL F.C.C.

We aim to further reduce CO₂ by sharing the effective energy-saving know-how that we have cultivated in Japan so far with the entire Group.

We have made it into a booklet so that employees of overseas group companies can access and utilize it. In order to continue to reduce CO₂ emissions, the entire Group will continue to work together to share information and promote initiatives to reduce CO₂ emissions.

Participation in the Environmental Initiative

The Group has participated in the GX League of the Ministry of Economy, Trade and Industry (METI) since FY 2023, seeing the 2050 carbon neutrality goal as the opportunity for its growth and aiming to enhance its competitiveness.

The GX League was established for the purpose of implementing the discussion for transformation and the creation of new markets among companies that aim to achieve sustainable growth in society by taking on the challenge of GX (Green Transformation) with a view to achieving carbon neutrality in 2050 and social transformation, involving industry, government, and academia that are working on similar initiatives.

The Group has also participated in the GX League to accelerate initiatives for the achievement of carbon neutrality in 2050.



Biodiversity Conservation Activities

●Forestation of the F.C.C. Forest

At the F.C.C. Forest in Tenryu-ku, Hamamatsu City, carbon offsetting through tree plantations and the annual forest restoration activities were held aiming at restoring the forest ecosystem. Employees and their families picked up acorns last fall and carefully grew them as foster parents, and as part of the Acorn Foster Parent Activity, many saplings were planted in the F.C.C. Forest this year as well. We will continue our activities in the future and contribute to the conservation of biodiversity in the region.



●Reed Cutting

We have participated in the Lake Sanaru Reed Cutting organized by the Lake Sanaru Regional Council since 2007. By cutting the reeds that grow in clusters along the shore of Lake Sanaru, we prevent withered reeds from polluting the water and lakeshore. Reeds absorb CO₂ in the process of growing, and when they are cut, their new growth is stimulated, which leads to CO₂ absorption. The harvested reeds are passed on to tea farmers in Hamamatsu City for use as overlaying straw for their tea fields. These activities not only improve the landscape of the lakeshore but also lead to production activities and resource recycling in the local society as a result of our environmental activities. In addition, reed cutting contributes to conservation of biodiversity. By the appropriate management of reeds, the ecosystem of the lakeshore is maintained soundly, and the habitat of diverse animals and plants is formed well. We will continue to protect the rich environment of Lake Sanaru and contribute to mitigating climate change in the future.



Social

Social



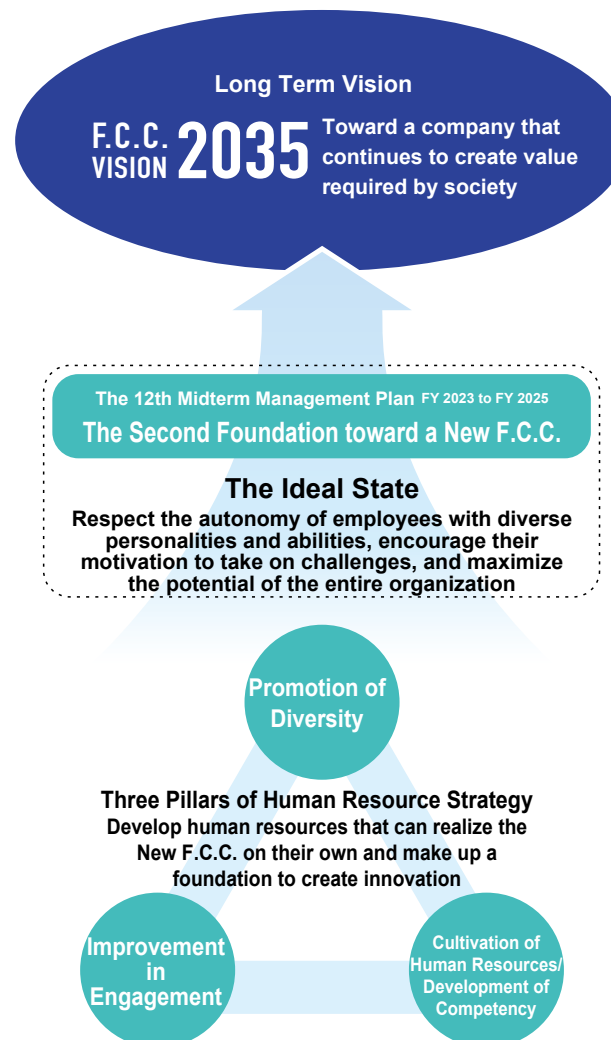
Human Capital

Three Pillars of Human Resource Strategy

In order to aim at sustainable growth in the midst of a drastically transforming business environment, the Group is promoting initiatives based on the long-term vision of VISION 2035 and the 12th Midterm Management Plan set for the vision.

In VISION 2035, we set forth our ideal state of “Toward a company that continues to create value required by society.” In the 12th Midterm Management Plan, by positioning the term as a turning point of the Company and its businesses to adapt to the new business environment, we have set a business policy of “The Second Foundation toward a New F.C.C.”

In order to develop human resources that can realize the New F.C.C. on their own and make up a foundation to create innovation, we are promoting our efforts with the three pillars of improving engagement, promoting diversity, and cultivating human resources and developing the competency of employees as the center of our policies. Through these policies, we will evaluate the Diversity KPI, Engagement Score, Health Management Score (Absenteeism/ Presenteeism), Stress Check, and Retirement Rate on a fixed-point basis as the indicators of change in awareness/behavior and will run the PDCA cycle. By fostering a culture that respects the autonomy of employees with diverse personalities and abilities and that motivates them to take on challenges, we aim to support autonomous career development and to bring out the maximum potential of the entire organization.



Initiatives to Improve Engagement

Engagement Survey

In order to improve the engagement of our employees, we started an engagement survey of all employees in FY 2023 by carrying out fixed-point observations for pursuing continuous improvements and increases in job meaningfulness and satisfaction. Through the accumulated efforts, the score has improved compared to the previous year over the last two years. The initiatives that have been carried out include not only the promotion of the understanding of operations between the departments by sharing the Job Encyclopedia and the support for self-learning of skills through the learning support service but also the new introduction of career training targeting young employees by which we established an environment that provides support tailored to career development milestones and enables each employee to be proactive in shaping their own future. On the other hand, “Improved conviction in personal evaluation,” and “Increased opportunities for dialogue with the top management” continue to be demanded. We will tackle them as important issues.

Promoting Diversity

Promotion of Women's Empowerment

In the Action Plan for the Promotion of Women's Empowerment, the Company set the goals of achieving parity between male and female employees in the proportion of those promoted to the next higher position and achieving a childcare leave take-up rate of 40% among male employees by the end of March 2026. In FY 2025, the promotion rate for male employees was 8.0% while that for female employees exceeded it at 9.2%. The childcare leave take-up rate for male employees was 68.4% (actual result in FY 2024), significantly exceeding the target. Based on the results of these actions and challenges, we will review the action plan for further promotion to aim for the development of an environment where every employee can balance career and life events in the future.

Action Plan for Promotion of Women's Empowerment

1. Planning Period

April 1, 2021, to March 31, 2026

2. Goals

- By 2026, the percentage of female employees promoted to the next higher position shall be equal to the percentage of male employees.
- By 2026, the rate of male employees who take childcare leave shall be raised to 40%.

Fostering the Culture of Women's Empowerment

The Company has been working on the issue of having a small percentage of female employees in core human resources for a long time and promoting measures for women's empowerment as an important issue. We study and implement measures to address women-specific issues to aim at fostering an organizational culture. In FY 2024, discussions on gender gaps at work and at home were held among employees from various departments, genders, and grades across the business bases under the theme "Men's Jobs, Women's Jobs." In addition, we held mutual training between women employees and evaluators. Each of them acquired the ability to understand the policies and roles and the ability to motivate themselves through goals by working on improvement of the work environment.

Improving Receptivity to Diverse Values

In order to establish an environment that is receptive to diversity, we hold diversity meetings that invite external lecturers on a regular basis. These meetings provide opportunities to learn methods of discussion and communication for smooth collaboration with those with a different sense of value or way of thinking, which functions as a place to deepen the understanding of diversity. Through this approach, we are developing a base not only for promoting women's empowerment but also for realizing a workplace where all employees can work in their own way.

Employment of Persons with Disabilities

The Company maintains communication with local special needs schools and employment support organizations on a regular basis, and even when we receive referrals, we proceed to acceptance after completion of work experience for the purpose of matching the Company and deepening the understanding of the work. Even after employment, we work together with referral agencies to identify any concerns of the relevant employees that are difficult for them to express directly to the Company and work on establishing a good environment on a workplace basis by providing consideration and using ingenuities so that even employees with disabilities can work with peace in mind.

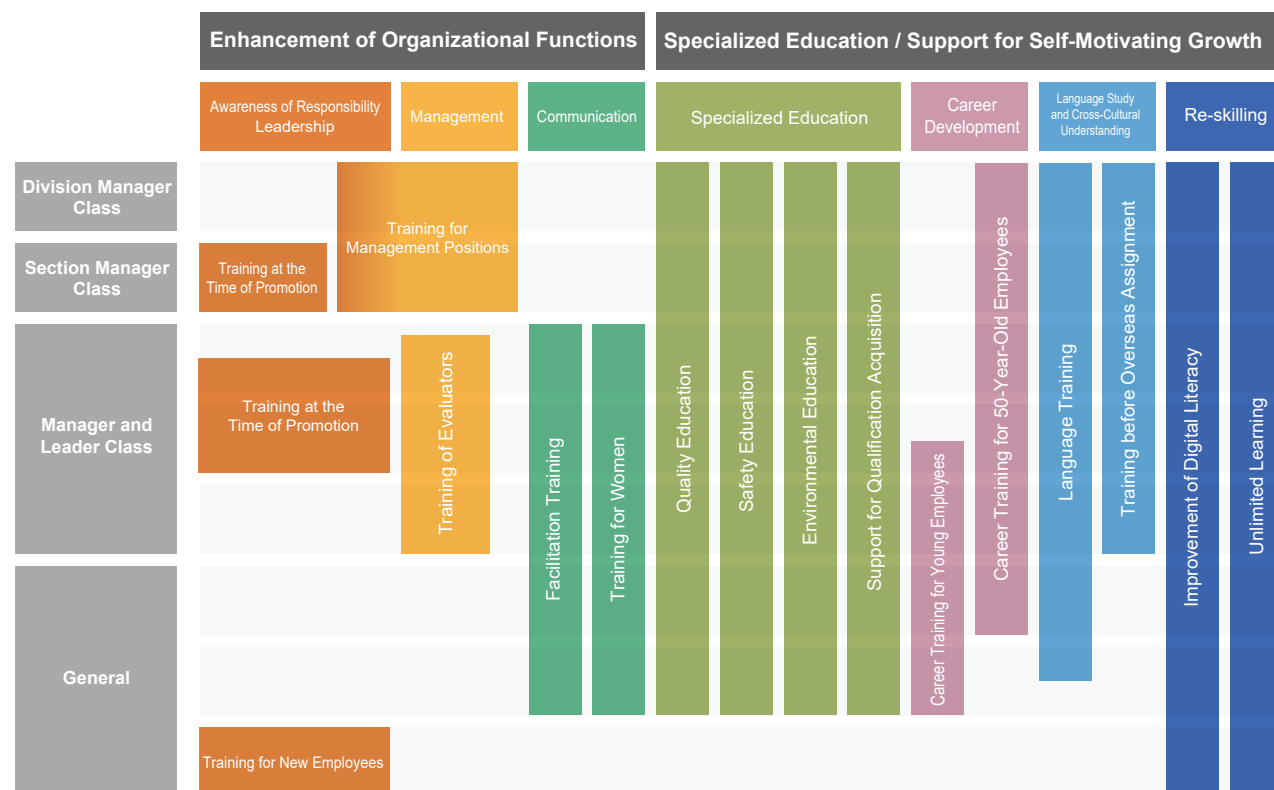
⇒ P40 Nonfinancial data: Percentage of Female Workers in Management Positions

Cultivation of Human Resource Development/ Development of Competency

Human Resource Development System

The company has established human resource training systematically to ensure that it can grasp changes in the business environment and develop human resources necessary to achieve the New F.C.C. For class-specific training, we provide training tailored to each growth stage, such as training for new employees, training at the time of promotion, and training for management positions.

In addition, in order to build the foundation of self-motivated learning for the growth of employees, we introduced an unlimited learning system and provided basic education in the digital field. For the future, we will continue to consider initiatives for supporting employees' self-learning.



Human Resource Evaluation System

With the aim of establishing an environment where employees are highly motivated to demonstrate their competences in order to continue developing human resources, which constitute the source of F.C.C.'s growth, and for the establishment of a robust human resource foundation, we designed and applied the human resources evaluation system. We had applied a common human resource evaluation system to all employees until FY 2024; however, the challenge was that the manufacturing site and other job types had different work characteristics, which had caused some aspects that did not reflect the actual situation. In FY 2025, we revised the evaluation system for the manufacturing sites to clarify contributions that are subject to the evaluation, aiming to realize an environment where employees set their goals more specifically and work on them proactively.

Employees' Career Development

The Company is working on supporting the career development of employees so that they can develop their own competences and to promote unique career development.

We provide career education tailored to the stages of young, mid-level, and seasoned employees, and implement job rotations to provide opportunities to gain a wide range of experience.

In addition, we implement the company-wide sharing of the *Job Encyclopedia* in order to use it as a material by which employees can understand the various job types and roles in the Company and think about their own career plans.

Through these initiatives, we will support the autonomy of employees' careers and work on improvements in the competency and motivation of individuals to promote the invigoration of the entire organization and the development of a foundation that brings about innovation.

Health and Safety

Health and Safety Management

Occupational Health and Safety Management

In compliance with the Occupational Health and Safety (OH&S) Management System (ISO 45001), we established an inhouse system in Japan and overseas, and through the operation of the PDCA cycles, we are implementing an enhanced health and safety program.

For the evaluation and inspection of activities, both domestic and overseas bases are audited by internal auditors based on the Three Reality Principles to work on establishing an attractive workplace by improving unsafe areas and correcting unsafe actions.

For overseas business bases, through checking the status by a person in charge of safety during Web meetings, we work on the improvement of workplaces in the overseas bases as well. Conducting a management review of those health and safety activities of the entire Company every year, we revise systems and reflect the review in the action policies for the next fiscal year. Though there are differences in business environment and legal requirements between Japan and overseas, the Group is constantly striving to improve health and safety activities by putting the safety of our employees first.

Aiming for the Elimination of Work-Related Accidents

Viewing the high number of accidents during preparation, cleaning, and maintenance as a challenge, we are aiming for zero accidents that cause severe injury through improvement and education in the work procedures, risk assessments, near miss prevention, and the rollout of patrols.

In addition, with regard to the handling of chemicals in the new business domain, we will also work on establishing an attractive workplace by each employee's effort for nipping any danger in the bud from the viewpoint of preventing work-related accidents.

For the elimination of work-related accidents in overseas business bases, we support it through safety awareness activities, education, follow-up, etc. provided from Japan by referring to the actual cases of industrial accidents.

Initiatives for Education/Training Related to Health & Safety

The Company recognized that education is an essential part of its efforts to ensure the occupational safety of employees and is working to upgrade the training of employees according to their levels and roles. At the general employee level, in addition to the training provided to increase the understanding of risks during work for newly hired employees who are unfamiliar with the work, training specific to operational characteristics is provided to employees engaged in special hazardous work.

For managers and supervisors, training is implemented with a focus on the education for managerial positions based on the Industrial Safety and Health Act and the acquisition of skills to pull the workplace forward.

	Statutory/ General Training	Job-Based Training	Appointed Persons Training
Section Manager Class			General Health and Safety Manager Seminar Safety Manager Training
Team Leader Class		Group Leader Training	
Group Leader Class	Risk Assessment Introduction Training Risk Assessment Staff Training Risk Assessment Application Training	Group Leader Competency Improvement Education Promotion Training	
Sub-Leader Class			Operation Manager Training Chemical Substance Manager Training Equipment Safety (Sub-assessor)
General	Mid-Level Employee Training Follow-Up Training New Employee Training		

Fostering Safety Sub-Assessors (SSA)®

The Company implements safety measures from the facility design state to prevent occupational accidents from different hazard sources, such as machine entrapment,

amputation, electrical shock, falling, and explosions. We develop experts who can accurately assess the adequacy of safety in manufacturing and provide appropriate instruction to further ensure safety in the workplace. As part of it, we are promoting education for acquiring the qualification for a Safety Sub-Assessor (SSA), and the number of qualified SSAs is increasing year after year.

Implementation of Working Groups, the Business Base Collaborative Activities Aimed at Improving the Safety of Worksites

Three working groups have been organized to prevent occupational accidents, fires, and chemical disasters, and they hold study workshops to resolve those issues.

The mechanical safety working group promotes safety activities by raising the level of risk assessment by improving the insight and knowledge of experts in the business bases to tackle weaknesses in achieving zero hazardous source, which is stated in the companywide business plan.

The fire working group has started holding study workshops with collaboration of fire stations in order to promote initiatives for fire prevention since FY 2023.

In addition, the chemical substances working group, which views response to compliance with revised laws and regulations as an immediate challenge, holds workshops and provides follow-up, which leads to the improvement of knowhow so that each business site can address the challenge independently.

We are deploying the results of the activities of those domestic working groups to overseas business bases via internal tools to establish an environment in which all the business bases can conduct safety activities independently.

Employees' Health

Health Declaration

The F.C.C. Group will work on health activities so that all employees can work safely and healthily, with the aim of establishing a bright workplace where each of them is cheerful, happy, and energetic and can help each other in an open and supportive manner.

Details of Activities

1. Physical health

We will aim to improve awareness of lifestyle-related diseases prevention so that employees can be healthy and active.

2. Mental health

We will make efforts at improving the work environment cooperatively with workplaces, following the workplace-based analysis of the results of stress check.

3. Work-style reform

We will work to reduce overtime hours with the cooperation between labor and management and will promote a work-life balance by increasing the percentage of paid leave taken.

Measures for Health Promotion

We are working on establishing an environment where employees are healthy and active both mentally and physically and can demonstrate high performance by utilizing the framework of the Certified Kenko Investment for Health Outstanding Organizations Recognition Program conducted under the leadership of the Ministry of Economy, Trade and Industry.

(1) As an ideal state, we depicted a state where employees are working cheerfully, happily, and actively and set up a health declaration, internal implementation system, and strategy map.

(2) We implemented the following measures:

- 1) Walking rally, yoga class, core strength training, cooking class for lifestyle-related disease prevention
- 2) Sharing health knowledge within the Company through in-house bulletins, health columns, and raising awareness through radio exercises
- 3) Use of in-house SNS
- 4) Seminars for women held on a regular basis, focusing on women's specific health issues
- 5) Education on mental health/lifestyle-related disease improvement
- 6) PR for a consultation desk as care for dependents and subsidized influenza vaccination
- 7) Development of a return-to-work program for long-term absentees and establishment of a system to support their return to workplaces
- 8) Introduction of external EAP as a consultation desk for mind and body



Recognition as a 2025 Certified Kenko Investment for Health Outstanding Organizations (Large Enterprise Category)

Under the Kenko Investment for Health Outstanding Organizations Recognition Program organized by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi, we were certified as a 2025 Certified Kenko Investment for Health Outstanding Organization (Large Enterprise Category) for the third consecutive year and recognized as a corporation that considered employee health management from a managerial perspective and addressed the issue strategically.



Employee-Friendly Working Environment

The Company places great importance on a work-life balance and providing an employee-friendly environment.

We acquired the Kurumin Mark in 2019, and as a company that supports childcare, we have established a Childcare Consultation Desk and are providing consultation and awareness of in-house systems regardless of gender to create an environment that facilitates access. In addition, we are promoting the acquisition of childcare leave for male employees by introducing the joy of participating in childcare not only to female employees but also to male employees through in-house newsletters. Furthermore, for balancing work with childcare and nursing care, we are promoting the establishment of a workplace where employees can work easily by reviewing the leave system and the way we work. Through those initiatives, we are aiming to improve the work-life balance of employees and establish an environment that supports diverse workstyles. In the future, we will continue pursuing improvement for a more employee-friendly workplace and, at the same time, aim at establishing a workplace where employees feel fulfilled in their work. By creating an environment where each employee can achieve self-fulfillment and growth together with the Company, we will realize vitalization and sustainable growth of the entire organization.



⇒ P40 Nonfinancial data: Childcare Leave Acquisition Rate

Responsibility to Partner Companies (Customers/Clients)

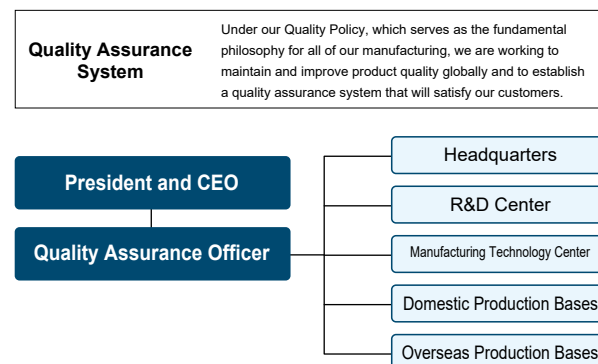
Quality

Quality Improvement Initiatives

The Quality Policy is set forth in the Group's action guidelines, and all employees are aware of the mission to "Continuously assure the function and performance of products that satisfy customers through quality management systems and technologies trusted by the customers," and are working on providing high-quality products, especially in the manufacture of critical functional components for the automotive industry.

Under the quality policy, we have established and are operating the F.C.C. Quality Standard (FQS), a unified quality assurance guideline for the entire Group, which enables us to continuously provide our customers worldwide with safety and security as well as satisfactory functions and the performance of our products.

We also believe that the security and safety of our employees are important factors in improving quality, and by reflecting these rules throughout the Group, we are working to improve quality by spreading improvement activities, such as addressing change points that hamper work and abnormality handling to overseas business bases as well.



Quality Management System

Starting with the acquisition of an externally certified quality management system in Japan in 1996, we have acquired ISO 9001/IATF 16949 certifications in our bases, including those overseas.

The Group has established a quality management system that conforms to international standards and aims to achieve a quality structure at the top level in the industry by having a constant awareness of continuous improvement.

- **ISO 9001: 6 domestic bases/21 overseas bases**
- **IATF 16949: 5 domestic bases/18 overseas bases**

Quality Training/Enlightenment Activities

In order to enhance the value of products and meet customer expectations, we maintain the FQS Quality Education/Training Rules. With the aim of raising the awareness of quality management necessary for the roles and positions of each department and improving the skills in technologies/quality control methods, we plan and promote training programs by job class according to internal qualifications and job descriptions.

Regarding quality incidents, we share the causes and specific behaviors based on cases that have occurred at other companies and then study and disseminate measures to prevent quality incidents in the Company.

Procurement

Promoting Sustainability in Supply Chains

In order to build a sound and sustainable supply chain, we established the Supplier Sustainability Guidelines in November 2020 to share the Company's approach to sustainability with our partner companies and to work together to promote them.

The Guidelines set forth requirements based on the laws and social norms of the various countries in the five categories of safety/quality, human rights/labor, environment, compliance, and information disclosure, and we request that all partner companies in manufacturing comply with the Guidelines according to the requirements. In FY 2023, in order to grasp the status of our sustainability efforts, we used the Guideline-based survey form to grasp the status of compliance with the Guidelines among our major partner companies in Japan and confirmed that there were no significant problems that needed to be addressed. We will continue to ensure compliance with the Guidelines throughout our supply chain for the establishment of a sound and sustainable supply chain.

Sustainability Requirements for Our Suppliers

Item	Requirement
Safety/Quality	1) Providing products/services that meet the needs of consumers/customers 2) Ensuring safety/quality governance of products/services 3) Securing safety/quality of products/services
Human Rights/Labor	1) Abolition of discrimination 2) Respect for human rights 3) Prohibition of child labor 4) Prohibition of forced labor 5) Wage 6) Working hours 7) Dialogues/consultations with employees 8) Safe/healthy working environment 9) Response to conflict minerals
Environment	1) Environmental management 2) Reduction of greenhouse gas emissions 3) Environmental conservation such as atmosphere, water, soil, etc. 4) Resource conservation/waste reduction 5) Chemical substance management
Compliance	1) Compliance with laws and regulations 2) Compliance with competition laws 3) Corruption prevention 4) Prohibition of conflict of interest 5) Control/protection of confidential information 6) Protection of informants 7) Export transaction management 8) Protection of intellectual property
Information Disclosure	1) Information disclosure to stakeholders

Strengthening Collaboration with Partner Companies

With our business partners, we provide regular information sharing opportunities to ensure smooth communication. Specifically, we ask our business partners to share our future business operations and procurement/quality/environment policies and to take the initiative to promote sustainability in order to maintain high quality to enhance the soundness of our entire supply chain.

Partner Companies' Risk Management

To ensure the continuous supply of high-quality products to our customers, we carry out risk assessments of all partner companies once a year by utilizing the Company's risk survey form. For business partners that are judged as requiring improvement based on the Company's evaluation criteria, we visit them directly at their sites and conduct support activities for improvement while having communication with them.

Conflict minerals

In addition to the regulatory framework of the international society in recent years, human rights abuses and conflicts by armed groups at mining sites have led to increasing demands for companies to procure minerals more responsibly. Our Group conducts procurement activities based on a basic policy of not using conflict minerals*, and in addition to surveys using the CMRT* issued by the RMI*, we conduct surveys at the request of client companies to confirm the distribution channels of minerals in the supply chain and their procurement sources. In conducting the survey, we confirm with our partner companies that the procurement is from the certified smelters under the RMAP* by RMI and recognize the risks based on the collected CMRTs.

*Conflict minerals

Minerals mined in the Democratic Republic of the Congo and neighboring countries to serve as a source of activity funding for the local armed groups. Tin, tantalum, tungsten, and gold are defined as conflict minerals and are abbreviated as 3TG.

*RMI

Responsible Minerals Initiative: An international body committed to responsible mineral procurement.

*CMRT

Conflict Minerals Reporting Template: A template for reporting conflict minerals prepared and published by RMI.

*RMAP

Responsible Minerals Assurance Process: The responsible minerals assurance process advocated by RMI.

Governance

Governance



Corporate Governance

Basic Concept

Under our corporate philosophy, the Company strives to enhance corporate governance as one of the top priorities of management, with the aims of earning even greater trust from shareholders, customers, employees, our communities, and other stakeholders, making swift and resolute decisions with fairness and transparency, growing sustainably, and improving medium- to long-term corporate value.

Corporate Governance Structure

Board of Directors

The Board of Directors consists of 10 directors (including 5 outside directors; chaired by the president & CEO). In addition to making decisions on matters prescribed by laws and regulations as well as important business execution, it also oversees the performance of the duties of directors.

Audit and Supervisory Board

The audit and supervisory board consists of four directors (including three outside directors, chaired by the standing audit and supervisory board member). In accordance with decisions by the audit and supervisory board on matters of audit policies, audit plans, and division of responsibilities, audit and supervisory board members attend meetings of the board of directors and other important meetings and review the status of business and finance. Through these and other means, they audit and supervise the performance of the duties of directors and the state of maintenance and operation of internal control systems.

Accounting Auditor

The Company undergoes accounting audits by Yasumori Audit Corporation pursuant to the Companies Act and the Financial Instruments and Exchange Act.

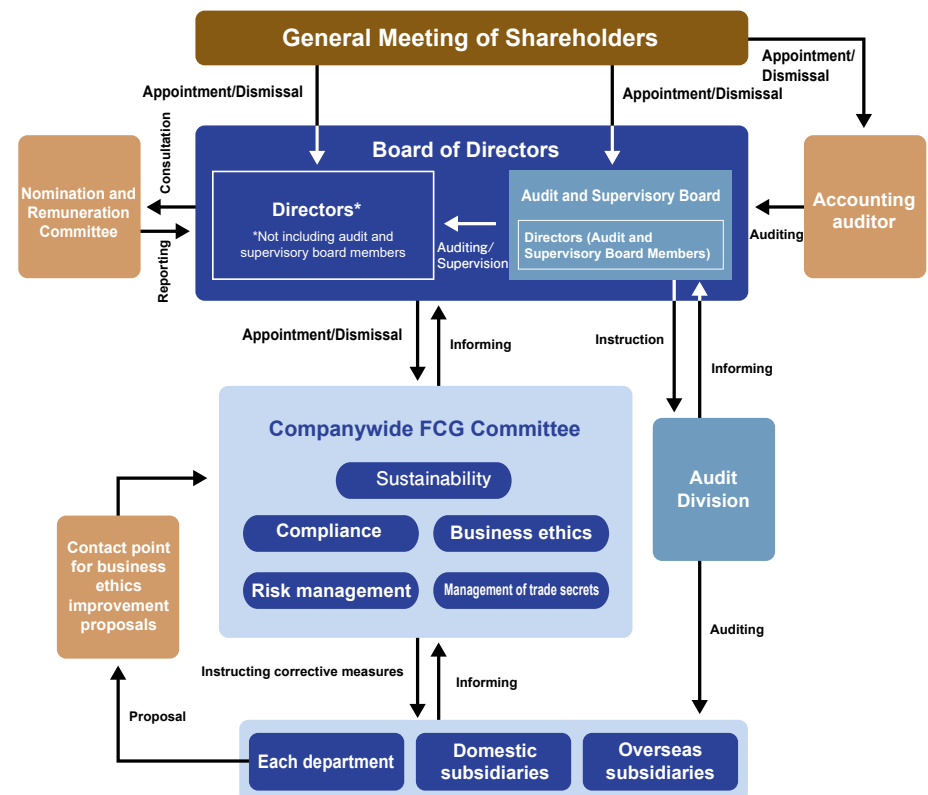
Audit Division

The Company has established the Audit Division to assist the duties of the audit and supervisory board. The Audit Division audits the state of maintenance of internal control systems and operations Group-wide with the aims of ensuring the efficacy and efficiency of business operations, the reliability of financial reporting, legal and regulatory compliance of business activities, and preservation of assets.

Nomination and Remuneration Committee

The nomination and remuneration committee consists of six directors (including five outside directors; chaired by the president & CEO). It deliberates and advises on such matters as nomination and remuneration of directors.

Corporate governance structure



Makeup of the Board of Directors and Policies on Director Appointment/Dismissal

Makeup of the Board of Directors

1. The board of directors shall consist of an appropriate number of up to 12 qualified persons as specified in the Articles of Incorporation, including up to five directors who are audit and supervisory board members.
2. Independent outside directors shall make up at least one-third of the board membership.
3. To perform its roles and responsibilities effectively, the board of directors shall have a structure based on a healthy balance of diverse knowledge and experience as a whole, with consideration for diversity in various aspects including gender, international experience, career history, and age.
4. Sufficient consideration shall be given to ensuring the independence of outside directors according to the independence criteria established by the Tokyo Stock Exchange.
5. Directors who are audit and supervisory board members shall include members highly knowledgeable in finance and accounting.

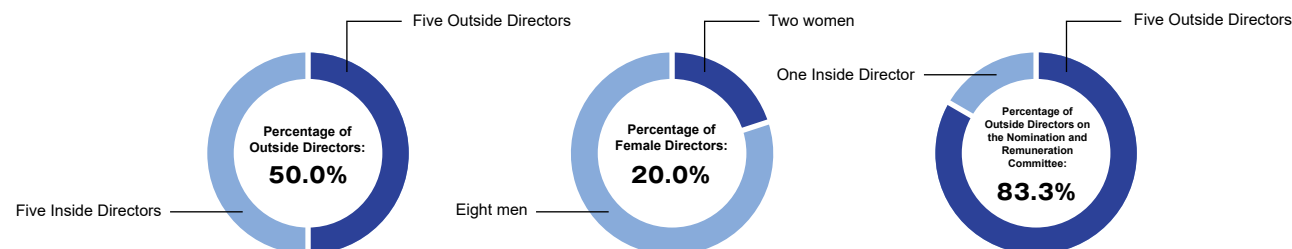
Policies on Appointment/Dismissal of Directors

1. Directors chosen shall possess high levels of business ethics in addition to outstanding characters and knowledge.
2. Directors chosen shall possess expert knowledge and a wealth of experience concerning Company businesses or their own areas of specialization.
3. Advised by the nomination and remuneration committee, the board of directors shall make decisions on appointment/dismissal of directors with consideration for such matters as the ability to perform the duties of directors appropriately, reflecting the makeup of the board.

Board of Directors' Skill Matrix

Name	Position	Nomination and Remuneration Committee	Corporate Management	Manufacturing/ Technological R&D	Sales and Marketing	Business Development, M&A	Digital, IT/ICT/DX	Finance and Accounting	Legal Compliance	Global Experience
Yoshitaka Saito	President & CEO	○	●			●	●			●
Kazuto Suzuki	Executive Director		●	●						●
Atsuhiko Mukoyama	Managing Director		●	●						●
Kenji Nakatani	Managing Director		●		●					●
Kunihiro Koshizuka	Outside Director	○	●	●		●	●			●
Kazunori Kobayashi	Outside Director	○	●		●	●				●
Akira Tsuboi	Director/Standing Audit and Supervisory Board Member		●	●						●
Kazumoto Sugiyama	Outside Director/Audit and Supervisory Board Member	○							●	
Mayumi Yamamoto	Outside Director/Audit and Supervisory Board Member	○						●		
Tae Kawashima	Outside Director/Audit and Supervisory Board Member	○							●	

(Note) The skill matrix is not an exhaustive list of all knowledge and experience of each director.



Status of Activities (specific matters considered, meeting frequency, attendance)

Board of Directors

As specific matters considered by the board of directors, supervision over such matters as the performance status of the duties of directors, compliance, risk management, and the structure of the Group companies is exercised. As for the 12th medium-term management plan starting in FY 2023, the progress of efforts to achieve the targets stated in the annual business plan, including sustainability-related items, is reported to the board periodically.

We also assess the appropriateness of cross-shareholdings.

In FY 2024, the board of directors of the Company met eight times, and the attendance by each director is as below:

Name	Number of meetings held	Number of attendances
Yoshitaka Saito	8	8
Kazuto Suzuki	8	8
Atsuhiko Mukoyama	8	8
Kenji Nakatani	8	8
Kunihiro Koshizuka	8	8
Kazunori Kobayashi	8	8
Kojiro Matsumoto	2	2
Akira Tsuboi	6	6
Masahide Sato	2	2
Kazumoto Sugiyama	8	8
Mayumi Yamamoto	8	8
Tae Kawashima	6	6

(Note)
1. Kojiro Matsumoto and Masahide Sato resigned at the conclusion of the 94th Regular General Meeting of Shareholders held on June 18, 2024, and the numbers of meetings held, and their attendances are shown for the period until their resignation.
2. Akira Tsuboi and Tae Kawashima were appointed at the 94th Regular General Meeting of Shareholders held on June 18, 2024, and the numbers of meetings held, and their attendances are shown for the period after their appointment.

Audit and Supervisory Board

Specific matters considered by the audit and supervisory board include audit policies, audit plans, the state of maintenance and operation of internal control systems, and the methods of auditing by the accounting auditor and the validity of its findings. The audit and supervisory board's activities include attending meetings of the board of directors and other important meetings, and auditing and oversight of the performance of duties of directors and the state of maintenance and operation of internal control systems through such means as the review of

business and finances in accordance with audit policies, audit plans, and division of responsibilities established by the audit and supervisory board. It also exchanges opinions, regularly and at other times as needed, with the representative director, other directors, and the accounting auditor, and cooperates with the Audit Division to ensure the efficacy of auditing. The Company has appointed a standing audit and supervisory board member to enhance information collection and make the audit and supervisory board even more effective. In addition, outside director Mayumi Yamamoto is a certified public accountant highly knowledgeable concerning finance and accounting.

In FY 2024, the audit and supervisory board of the Company met twelve times. Attendance by each audit and supervisory board member is as below:

Name	Number of meetings held	Number of attendances
Kojiro Matsumoto	2	2
Akira Tsuboi	10	10
Masahide Sato	2	2
Kazumoto Sugiyama	12	12
Mayumi Yamamoto	12	12
Tae Kawashima	10	10

(Note)
1. Kojiro Matsumoto and Masahide Sato resigned at the conclusion of the 94th Regular General Meeting of Shareholders held on June 18, 2024, and the numbers of meetings held, and their attendances are shown for the period until their resignation.
2. Akira Tsuboi and Tae Kawashima were appointed at the 94th Regular General Meeting of Shareholders held on June 18, 2024, and the numbers of meetings held, and their attendances are shown for the period after their appointment.

Nomination and Remuneration Committee

Specific matters considered by the nomination and remuneration committee include the preparation of draft proposals to be submitted to the general meeting of shareholders for the appointment and dismissal of directors and revisions to the executive remuneration programs.

In FY 2024, the Company's nomination and remuneration committee met three times.

Attendance by each committee member is as below:

Name	Number of meetings held	Number of attendances
Yoshitaka Saito	3	3
Kunihiro Koshizuka	3	3
Kazunori Kobayashi	3	3
Masahide Sato	1	1
Kazumoto Sugiyama	3	3
Mayumi Yamamoto	3	3
Tae Kawashima	2	1

(Note)
1. For Masahide Sato, the numbers of meetings held and his attendances are shown for the period until he resigned as a committee member.
2. For Tae Kawashima, the numbers of meetings held and their attendances are shown for the period after she assumed the position of a committee member.

Officers' Remuneration

Policies on Decisions on Details of Officers' Remuneration

1. Basic policy

The Company's director remuneration structure shall be linked to business performance and shareholder returns so that it can function as sound and appropriate incentives toward sustained growth. As a basic policy, remuneration for individual directors shall be determined at appropriate levels reflecting individual responsibilities and other matters. Remuneration of directors (not including outside directors and directors who are audit and supervisory board members) shall consist of base remuneration, remuneration reflecting individual evaluation, performance-linked bonuses, and share-based remuneration. In consideration of their duties, remuneration of outside directors and directors who are audit and supervisory board members shall consist of base remuneration only.

2. Base remuneration

Base remuneration shall be paid in fixed monthly amounts of cash, determined with comprehensive consideration for such matters as the post, duties, and levels at other companies.

3. Remuneration reflecting individual evaluation and performance-linked bonuses

Remuneration reflecting individual evaluation shall be paid in cash based on considerations, such as qualitative evaluation of the degree of contribution by each director to business performance. It shall be paid in monthly amounts in addition to base remuneration for the following fiscal year. Performance-linked bonuses shall be paid at a certain time each year in amounts calculated in accordance with consolidated business income of each fiscal year, as cash remuneration reflecting key performance indicators (KPIs) intended as incentives for improving business performance each fiscal year. Any factors requiring special consideration shall be discussed by the nomination and remuneration committee.

4. Share-based remuneration

Intended to promote sharing of value with shareholders, share-based remuneration shall consist of transfer-restricted shares of common stocks awarded at a certain time each year, with their transfer restricted until retirement.

5. Remuneration ratio

The ratio shall be discussed by the nomination and remuneration committee, reflecting such matters as benchmark remuneration levels of companies similar to the Company in terms of business size and type and belonging to related industries. The ratio of remuneration types as a guideline in normal times shall be 65:10:10:15 (base remuneration: remuneration reflecting individual evaluation: performance-linked bonuses: share-based remuneration).

6. Methods of deciding on details of remuneration

To ensure the validity of matters related to remuneration of officers and the objectivity and transparency of their decision-making processes on it, the board of directors makes decisions on the remuneration of directors (not including directors who are audit and supervisory board members) with advice from the nomination and remuneration committee, a majority of whose membership consists of outside directors, within the limits approved by the general meeting of shareholders. Remuneration of directors who are audit and supervisory board members shall be decided through consultations among directors who are audit and supervisory board members within the limits approved by the general meeting of shareholders. Decisions on the details of individuals' remuneration amounts shall be delegated to the president & CEO based on a resolution of the board of directors. The president & CEO shall make such decisions with advice from the nomination and remuneration committee.

Total Amounts of Remuneration in FY 2024

The Company board of directors approved the above policy with advice from the nomination and remuneration committee.

In addition, the board of directors verified that individual director remuneration amounts for FY 2024 reflect the recommendations of the nomination and remuneration committee and thus determined that the details of such remuneration and methods of deciding on them conform to the above policy. In FY 2024, the nomination and remuneration committee met three times. Review and reporting by the nomination and remuneration committee reflected consideration for the Company's business size and other matters with reference to data on executive compensation survey by an outside research institute.

Officer category	Total amount of remuneration etc. (million yen)	Total amount by type of remuneration, etc. (million yen)				Number of eligible officers (persons)
		Base remuneration	Remuneration reflecting individual evaluation	Performance-linked bonuses	Share-based remuneration	
Directors (not including directors who are audit and supervisory board members) (Outside Directors included above)	200 (14)	126 (14)	14 (—)	33 (—)	25 (—)	6 (2)
Directors / Audit and Supervisory Board Members (Outside Directors included above)	37 (18)	37 (18)	— (—)	— (—)	— (—)	6 (4)
Total (Outside Directors included above)	237 (32)	164 (32)	14 (—)	33 (—)	25 (—)	12 (6)

Evaluation of the Efficacy of the Board of Directors

The Company implements self-assessment and analysis concerning the efficacy of the board of directors in order to improve its functionality and eventually enhance the corporate value. Thus, we conducted self-assessment and analysis surveys according to the following method, with the advice from outside institutions. In April 2025, we conducted a questionnaire survey to all the directors consisting of the board of directors (including audit and supervisory board members), and the result was analyzed and evaluated by outside directors (audit and supervisory board members). The assessment items included the composition of the board members, operation of the board, deliberation of the board, and monitoring function of the board, and the summary of the result was as below. From the answers to the questionnaire survey, it was found that the board was generally appropriate on all the assessment items, by which we recognize that the efficacy of the entire board is secured. In the previous efficacy survey, we received advice that it would be necessary to enhance deliberation further to accelerate commercialization of new businesses; however, we could also receive some feedback that the deliberation of the board was improved as we stimulated discussion about new businesses through reporting the progress of the medium-term management plan to the board of directors. On the other hand, as for the items of the selective focus on new businesses, enhancement of deliberation further to accelerate the commercialization, and direction of sustainability, we received feedback that further enhancement would be necessary. Based on the feedback, we revised the agenda setting of the board for improvement this fiscal year for the purpose of continuing deliberation on important management issues, and we are improving the efficacy of the board further by enhancing deliberation through the process of developing the next medium-term management plan etc. Based on the assessment result, we will work on initiatives necessary for maximizing the functionality of the board of directors.

Group Governance

Code of Conduct

In 2018, the Company established the corporate conduct charter, which applies throughout the Group with the aims of not only complying with laws and regulations but also helping to solve social issues, in order to enable the Company to achieve growth in a sustainable manner while contributing to the establishment of a sustainable society. To ensure the permeation of this charter among all employees, the Company is working on awareness-raising activities, such as distributing leaflets, providing explanations in in-house training, reading it aloud in morning meetings, and publishing it in internal bulletins. The state of these activities is reported on periodically to the Companywide FCG committee.



Structure

To increase corporate value Group-wide and ensure the propriety of operations as provided for in the Companies Act, the Company appoints internal officers responsible for overseeing the areas of (1) compliance and business ethics, (ii) risk management, and (iii) management of trade secrets. It also maintains a Group governance structure in which section heads serve as persons responsible and managers as facilitators. (At subsidiaries, the subsidiary presidents serve as persons responsible and resident Japanese staff and national staff as facilitators.)

Monitoring Activities

The Company established the Company-wide FCG Committee, whose membership consists of officers and executives. Each month, it receives reports from all sections and subsidiaries on the state of their governance and carries out monitoring of whether or not appropriate measures are being taken Group-wide. Results of monitoring by the Company-wide FCG committee are reported by individual officers to the board of directors.

In FY 2024, the Company-wide FCG committee met twelve times. There were no serious incidents affecting management.

Training and Awareness-Raising Activities

The General Affairs Division serves as an executive office in charge of raising awareness of governance among employees, by drafting an annual training and awareness-raising activity plan at the start of each term and using the Group governance system.

Last year's results are as below:

Activities to Raise All Employees' Awareness

April	Corporate philosophy/Code of conduct, Internal whistleblowing program
November	Appropriate transactions (Anticorruption, Compliance with competition laws)
December	Prevention of harassment
February	Management of trade secrets

Level-specific training

April	New employees Governance Fundamentals
June	New managers The governance system and promotion structure
June	Officers, Section heads, Subsidiary presidents The actual state of governance in F.C.C.

Internal Whistleblowing Program

The Company has established an internal whistleblowing system under the Whistleblower Protection Act with the aim of building a corporate structure of openness and honesty. Whistleblowing disclosure is responded to by verifying the fact and seeking independent opinions from outside experts.

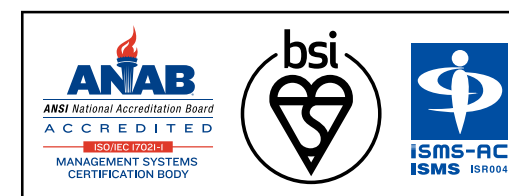
In FY 2024, while five matters were reported (the breakdown: 0 corrupt practice, 2 matters related to labor/human rights (including harassment), 1 legal violation, 2 other matters), investigation of each showed that there were no serious incidents affecting management. Contact points are established at subsidiaries to promote self-purification functions at them as well. In overseas subsidiaries, a new internal whistleblowing channel has been established for submitting reports directly to the Company, the parent company (the global whistleblowing hotline), since 2024 in addition to the current contact points, which those subsidiaries already had, to enhance their governance.

Information Security

Dependence on and the importance of business information systems have been increasing dramatically in recent years due to the factors including increasing numbers of cyberattacks, the spread of remote working, and digital transformation, and in this context, information security is becoming even more important in the business environment. The Company positions an information security system as a vital factor in its growth. In response, we are working on measures, including efforts to prevent leaks of information, improvement in the information system environment, and training intended to raise employees' awareness.

In addition, the Company has established the Company-wide information security committee on a cross-functional basis, which takes charge of the development, assessment and improvement of security measures to run the PDCA cycle effectively, enhancing the company-wide effort strategically. Furthermore, we have begun providing cybersecurity solutions leveraging the knowledge and experience fostered internally, which contributes to enhancing the security of not only the Group but also the overall supply chain.

The Company has also acquired external certification under the ISO 27001 international standard for the development and management of information security management systems. On a Group-wide basis as well, we are making progress on conformity to the Security Guidelines established by the Japan Automobile Manufacturers Association (JAMA) and the Japan Auto Parts Industries Association (JAPIA) to prevent increasingly severe cyberattacks and enhance resilience.



ISO 770061/ISO 27001 R&D Division Product Technology Development Department

Nonfinancial Data

Non-financial Data



Environment

Flow of materials

INPUT

Green procurement

■ Raw materials

Steel	10,863 ton
Cast iron	0 ton
Aluminum	1,155 ton
Nonferrous metals	2 ton
Other materials	1,557 ton

■ Water resources

Tap water	18,647m ³
Industrial water	12,870m ³
Groundwater	231,213m ³

■ Subsidiary materials

Oils	618 ton
Substances handled that are subject to the PRTR Act	36 ton

■ Energy

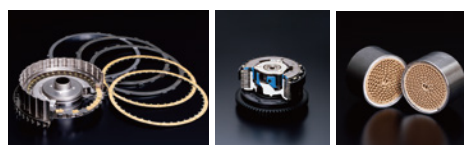
Electricity	39,664 thousand kWh
LPG	1,136 ton
Kerosene	0.1 kl
Gasoline	17 kl
Light oil	1.6 kl
Heavy oil	0 kl
City gas	186 thousand m ³
Energy inputs	351,514 GJ

[Collected data] Data from F.C.C.'s domestic bases (including major subsidiaries) [FY 2024]

Some data on the CO₂ emissions of partner companies were calculated using estimated values.

Technology R&D activities

Development and design of products with low environmental impact/Source improvements through examining specifications



Procurement

Production activities

Minimizing environmental impact

Products

Product shipment

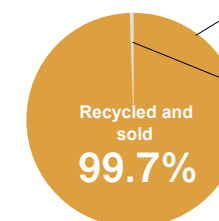
Products

To global markets via customers (automakers)

OUTPUT

Waste-recycling efforts

■ Total waste 8,509 ton



99.7% of waste is recycled or sold

Recycled (outsourced) 1,027 ton

Sold 7,321 ton

Landfill: 0.3%

Final waste disposal volume (landfill) 25 ton

*We have achieved zero emissions (1.0% or less of total waste) in the final waste disposal volume (landfill).

Efforts to identify, reduce, and monitor waste

■ Air

CO ₂ emissions	15,300 ton
NOx emissions	0 ton
SOx emissions	0 ton

■ Emissions of substances subject to the PRTR Act

Emissions to the atmosphere	0.12 ton
Emissions into waters	0 ton
Volume transported externally	5.73 ton

■ Water quality

BOD	0.01 ton
COD	0.66 ton

■ CO₂ emissions by partner companies 14,217 ton

■ CO₂ emissions from product shipments 861 ton

Environmental Accounting

Environmental protection costs (Nonconsolidated*1)

(million yen)

Category		Details of main initiatives	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024	
			Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses
Business costs in area	Pollution-prevention costs	Installation and maintenance management of wastewater treatment equipment, inspection, repair, cleaning, etc. of local release/dust collectors/deodorizers	3	38	27	39	8	35	4	46	14	56
	Global environmental protection costs	Capacity maintenance and improvement of air-conditioners/compressors, installation of LED lighting, upgrading of power reception facilities, etc.	82	49	31	57	63	66	128	628	79	224
	Resource cycle costs	Industrial waste recycling, efficient resource use, general waste recycling, etc.	0	40	9	47	9	46	0	46	3	47
Upstream/downstream costs		Recycling, collection, resale, proper disposal, etc. of products, etc. manufactured and sold	0	0	0	0	0	0	0	0	0	0
Management activity costs		Vegetation management, Internal environmental auditor training, Periodic ISO inspection, Environmental measurement and testing, Environmental training, Environmental labor management, etc.	4	87	0	77	0	86	0	86	0	43
R&D costs		R&D on products etc., (fuel consumption improvement [lighter weight], reduction of substances with environmental impacts, reduction of organic solvents, yield improvement), etc.	0	1,045	0	461	0	311	0	41	0	1512
Social activity costs		Community cleanup activities, Landscaping, Tree-planting activities, etc.	0	2	0	2	0	2	0	3	0	2
Costs of responding to environmental damage		Costs of responding to environmental damage (restoration of polluted soil, etc.)	0	0	0	0	0	0	0	0	0	0
Total			88	1,262	67	682	80	545	132	849	96	1884

Material volume (Nonconsolidated*1)

Item	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Energy use	GJ	323,343	366,912	336,031	327,619	351,514
CO ₂ emissions	ton-CO ₂	13,576	15,455	16,649	15,535	15,300
CO ₂ emissions from transport	ton-CO ₂	965	954	992	894	861
Waste emissions	ton	7,364	8,212	8,316	8,297	8,509
Water resource use	m ³	247,733	270,611	272,383	262,269	262,730
Emissions of substances subject to PRTR Act	ton	5	6	4	5	6

*1 Of the data, "CO₂ emissions from transport" and "Emissions of substances subject to PRTR Act" were calculated as limited to some subsidiaries. For the other values of the environmental indicators, data from the Company and all subsidiaries were compiled.

Society

Main HR Data (nonconsolidated)

Item	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of employees	Male	persons	988	978	967	920
	Female	persons	128	126	125	125
	Total	persons	1,116	1,104	1,092	1,045
Average years of continuous service	Male	years	17.7	18.0	18.4	19.7
	Female	years	18.5	18.8	19.2	20.4
	Total	years	17.7	18.0	18.4	19.7
Women workers as a percentage of managerial positions	%	1.2	0.6	0.6	0.6	1.9
Percentage of midcareer hires	%	15.6	37.5	24.1	35.7	58.0
Percentage of taking childcare leave	Male	%	5.7	35.7	31.6 ^{*2}	51.7
	Female	%	100.0	100.0	100.0	100.0
Monthly average overtime hours	hours	8.44	10.66	9.59	10.0	10.2
Percentage of taking annual paid vacation	%	87.4	90.4	94.7	94.9	90.7
Investment in training	Million yen	48	30	27	38	36
Training cost per employee	yen	36,942	22,452	20,587	31,202	27,841

※ *2 Revised beginning FY 2022 in accordance with the disclosure requirements under the Act on the Promotion of Women's Active Engagement in Professional Life.

Occurrence of work-related accidents (Non-consolidated) [Consolidated]

Item	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fatalities	persons	0[0]	0[0]	0[0]	0[0]	0[0]
Injuries caused by accidents that do not require time off work	persons	4[5]	2[3]	3[3]	3[3]	8[8]
Injuries by accidents that require time off work	persons	0[0]	2[2]	0[0]	1[1]	3[4]
Frequency ^{*3}	%	0.00[—]	0.82[—]	0.00[—]	0.42[—]	1.29[—]

[Collected data] Data from F.C.C.'s major domestic bases (Major subsidiaries are included in the consolidated data) [FY 2024]

*3 Frequency: Number of workers killed/injured caused by work-related accidents per million working hours is used as the frequency.

Number of social contribution activities conducted (Consolidated)

Item	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Social contribution activities	activities	105	150	122	80	76

Company Profile

Establishment June 1939

Representative President & CEO Yoshitaka Saito

Capital 4,175 million yen

Employees Consolidated: 7,799
Non-consolidated: 1,027
(Permanent, full-time employees as of March 31, 2025)

Headquarters 7000-36, Nakagawa, Hosoe-cho,
Hamana-ku, Hamamatsu City,
Shizuoka Prefecture 431-1394 Japan

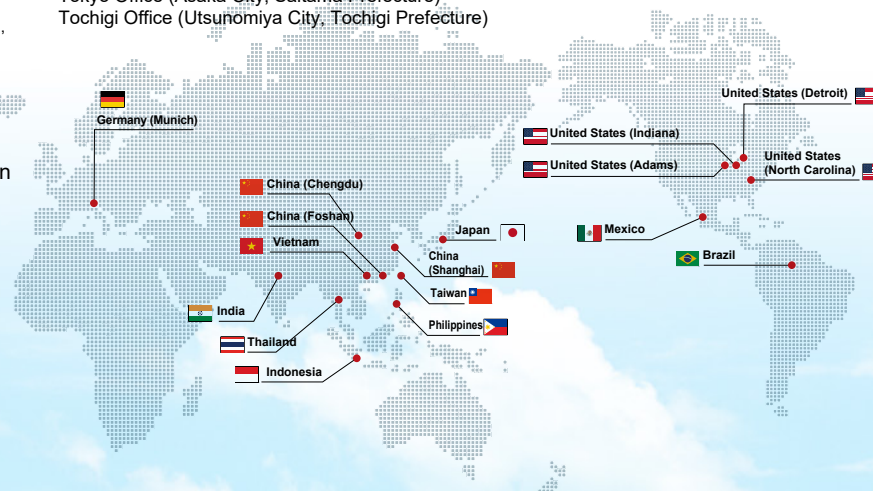
Affiliates F.C.C. Kyushu Co., Ltd.
Tenryu industry Co.
Flint Co., Ltd.

Domestic bases

Headquarters/Hosoe Factory (Hamamatsu City, Shizuoka Prefecture)
R&D Center, Manufacturing Technology Center (Hamamatsu City, Shizuoka Prefecture)
Hamakita Factory (Hamamatsu City, Shizuoka Prefecture)
Watagashima Factory (Hamamatsu City, Shizuoka Prefecture)
Ryuyo Factory (Iwata City, Shizuoka Prefecture)
Suzuka Factory (Suzuka City, Mie Prefecture)
Tokyo Office (Asaka City, Saitama Prefecture)
Tochigi Office (Utsunomiya City, Tochigi Prefecture)

Overseas bases

United States (four bases), Mexico, Brazil, Thailand (two bases), Indonesia, Vietnam, Philippines, India (seven bases), China (three bases), Taiwan, Munich Office (Germany)



History

1939: Fuji Lite Industries Co., Ltd. founded
1943: Renamed Fuji Chemical Co., Ltd.
1948: Started business with Honda R&D Co., Ltd. (currently Honda Motor Co., Ltd.)
1954: Started business with Suzuki Motor Corporation (currently Suzuki Corporation)
1956: Started business with Yamaha Motor Co., Ltd.
1963: Opened the Suzuka factory in Suzuka City, Mie Prefecture
Opened R&D Center in Hamamatsu City, Shizuoka Prefecture
1984: Opened the Ryuyo factory in Ryuyo-cho (currently Iwata City), Shizuoka Prefecture
Started integrated production of paper lining. Changed the trade name to F.C.C. CO., Ltd.
1989: Newly opened the Hosoe factory in Hosoe-cho, Inasa-gun, Shizuoka Prefecture (currently Hamamatsu City, Shizuoka Prefecture)
Relocated the Head Office and R&D Center
1991: Began participation in World Grand Prix motorcycle racing
2000: Opened the Tenryu factory in Ryuyo-cho, Iwata-gun (currently Iwata City), Shizuoka Prefecture
2004: Shares listed on the First Section of the Tokyo Stock Exchange
2013: Number of overseas bases reached 22 locations of 14 companies in 10 countries
2017: Relocated the Tenryu factory to Hamamatsu City, Shizuoka Prefecture and renamed it the Watagashima factory
Acquired all shares in Flint Co., Ltd. (currently a consolidated subsidiary)
2018: Transferred all shares in Tohoku Chemical Industries, Ltd.
Won FIM Endurance World Championship
2020: Yoshitaka Saito appointed President & CEO





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