



# FY2023 Financial Results Briefing

(April 1, 2022 through March 31, 2023)

F.C.C. CO., LTD.  
(May 18, 2023)

Stock Code : 7296  
Prime, Tokyo Stock Exchange  
<https://www.fcc-net.co.jp>





# Consolidated Results Outline for FY2023 Consolidated Forecasts Outline for FY2024

# Consolidated Results Outline for FY2023



## Consolidated

(million yen)

	FY22 Results	FY23 Results	Change (amount)	Change (%)
Revenue	170,971	218,939	47,967	28.1%
Operating profit	10,051	11,903	1,852	18.4%
Profit before income taxes	11,944	13,641	1,696	14.2%
Profit	8,681	9,802	1,121	12.9%
Profit attributable to owners of parent	8,551	9,566	1,015	11.9%
Basic earnings per share (Yen)	172.07	192.41	20.34	11.8%

Average exchange rate	FY22 Result	FY23 Result	Change
USD	¥112.39	¥135.48	23.09

# Consolidated Forecasts Outline for FY2024



## Consolidated

(million yen)

	FY23 Results	FY24 Forecast	Change (amount)	Change (%)
Revenue	218,939	227,000	8,060	3.7%
Operating profit	11,903	14,000	2,096	17.6%
Profit before income taxes	13,641	14,500	858	6.3%
Profit	9,802	9,800	△2	△0.0%
Profit attributable to owners of parent	9,566	9,600	33	0.3%
Basic earnings per share (Yen)	192.41	193.05	0.64	0.3%

Average exchange rate	FY22 Result	FY23 Forecast	Change
USD	¥135.48	¥130.00	△5.48



## Dividend

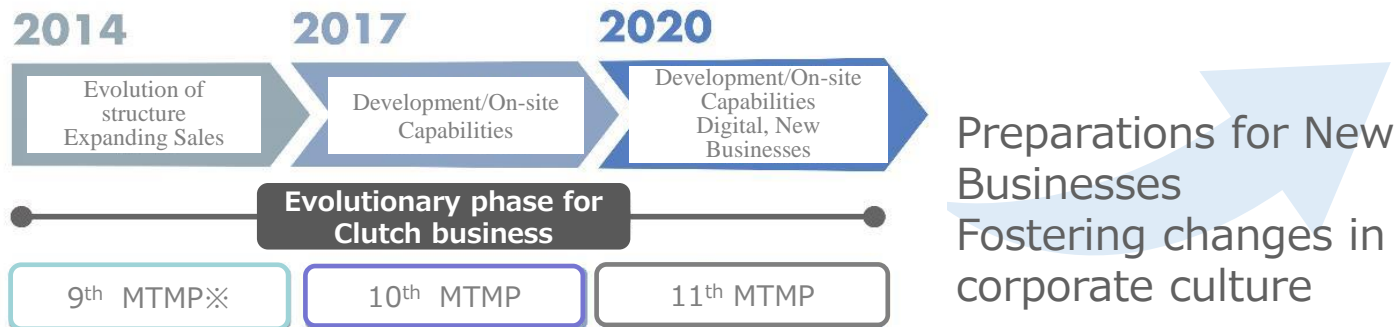
(yen)

	FY22 Results	FY23 Results	Increase/ Decrease from FY22	FY24 Forecast	Increase/ Decrease From FY23
2nd Quarter End	26	26	—	30	4
4th Quarter End	26	30	4	30	—
Fiscal Year	52	56	4	60	4
Dividend payout ratio (Consolidated)	30.2%	29.1%	Δ1.1%	31.1%	2.0%

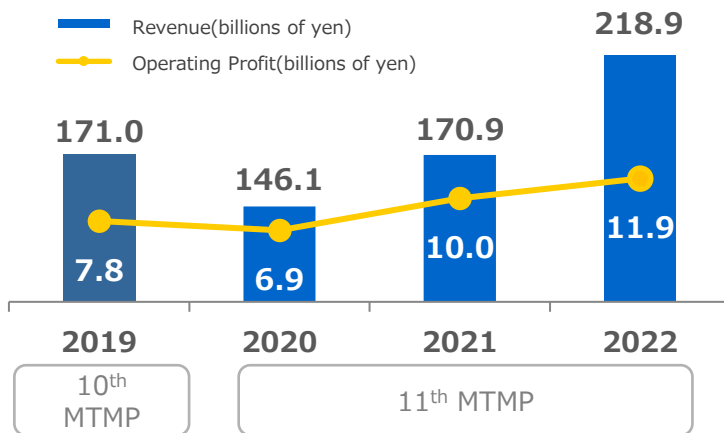
# 12th Medium-Term Management Plan (From FY2024 to FY2026)

# 11<sup>th</sup> Medium-Term Management Plan Review

## Evolution of Clutch Business + Launched the action toward VISION2035



### ● Financial Results



### ● Measures Review

Strengthen development capabilities, On-site Capabilities	Secured competitiveness by leveraging integrated strength of FCC, despite COVID, semiconductors, inflation, and other external environment factors
Digital Evolution	Promoted actions utilizing AI and IoT in manufacturing Achieved efficiency improvements in indirect operations, digitalization of development process
Strengthen development of new businesses	Continued with preparations for new businesses, but did not achieve commercialization Embarked on a cultural transformation for internal mindset reform

※MTMP=Medium-Term Management Plan



# Basic policy for the 12th Medium-Term Management Plan

Strive to transform our company and businesses with a focus on the year 2030, aiming to achieve the second founding



## Business policy

1. Achieving new business creation and continuing to prepare for new businesses
2. Maximizing business profitability through selection and concentration
3. Transforming the quality of added value through DX
4. Creating a foundation for generating innovation

## Second Founding: towards the brand-new FCC

## Targeting 2030

### Business structure transformation

2023    2025    2030    2035

12<sup>th</sup> MTMP    Targeted level

### Strategy : Business portfolio transformation and reinforcing the business foundation

	Motorcycle business	Automobile business	Non-mobility business
Clutch business	fortify the business	shift in nature of business	Build a foundation for business diversification
	Expand profitability by evolving competitiveness	Improve profitability to achieve resilient structures	
New businesses	EV/CASE	Expand business scope through customer base and technology	Promote commercialization of products in environmental/energy sector / create new businesses

**Accelerate use of digital technology, simultaneously strengthen existing business and create/expand new businesses**

Manufacturing competitiveness    HR/operations

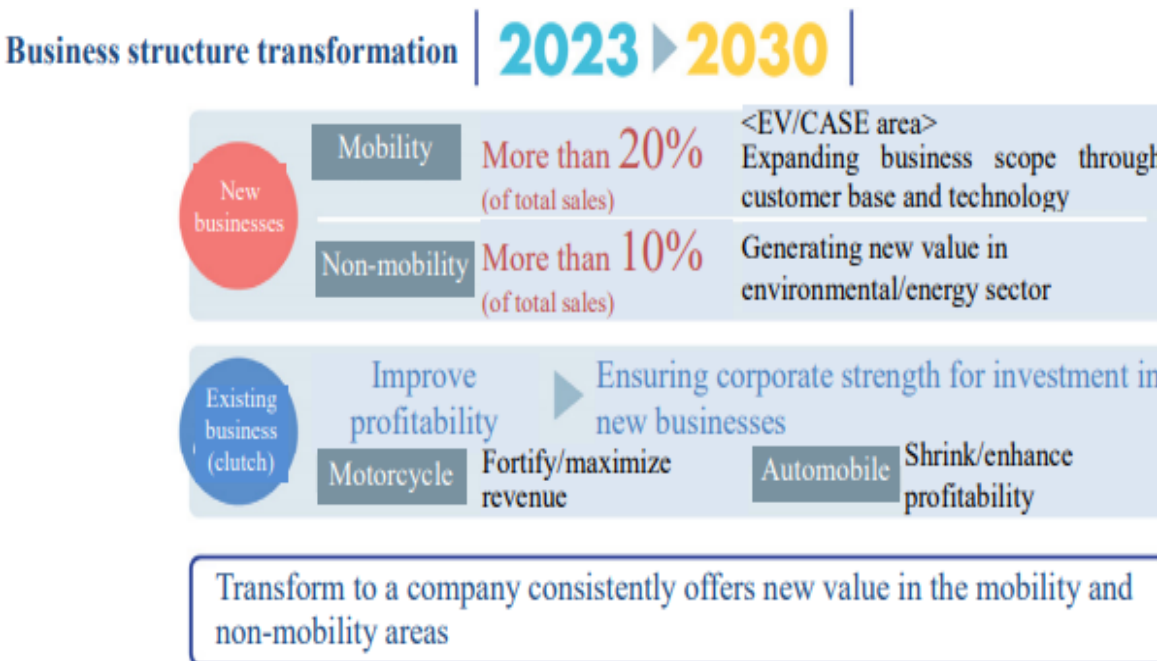
Fundamental R&D    ESG



# Business Portfolio Transformation

## ⚙️ Business structure transformation (portfolio)

Enhancing the Clutch business profitability through selection and concentration and focus on the creation of new businesses  
Transform to a company consistently offers new value in the mobility and non-mobility areas

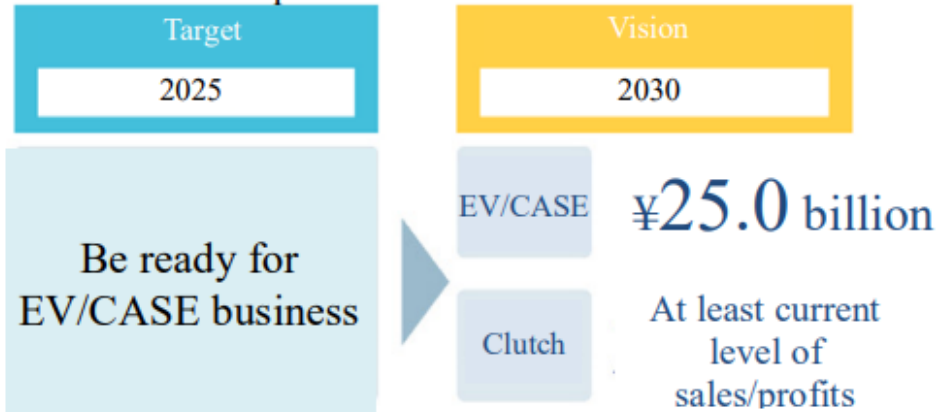
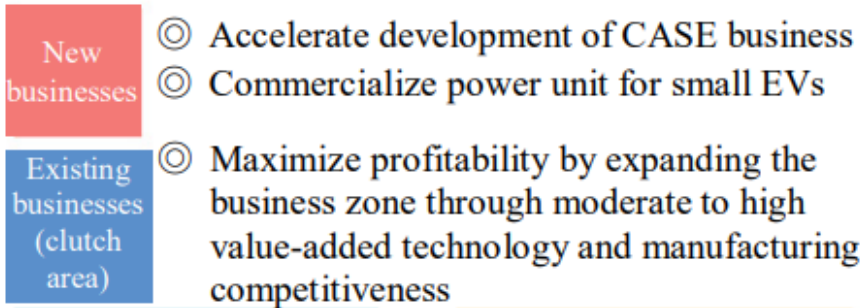


## ⚙️ Business strategy (motorcycle business)

Commercialize EV power units and create a CASE business by leveraging our customer base and technology

Maximize profitability by combining top share in clutches with integrated strength derived from value-added technology and comprehensive global manufacturing capabilities

### Motorcycle business



### New Businesses (CASE area)

- ◆ **Accelerate development of CASE business**
  - ▷ Leverage FCC's core technology and customer base to create value in terms of both products and solutions
- ◆ **Commercialize power unit for small EVs**
  - ▷ Use miniaturization / differentiation technology and robust global production platform centered on India/ASEAN to build bridgehead to EV market

### Existing Business (Clutch area)

- ◆ **Refine moderate to high value-added technology**
  - ▷ Establish evolution in technology using DX and automation
- ◆ **Enhance cost competitiveness through standardization and optimization**
  - ▷ By optimizing production through the use of standardized specifications and shared facilities, we will work to reduce costs and expand next-generation markets



## ⚙️ Business strategy (automobiles business)

Beginning with our entry into the motor core submodule business, we will blend and convert our core technology into tangible form, with the aim of becoming a component manufacturer that creates new value in the CASE market

### Automobile business

New businesses

- ◎ Entry into motor core submodule market
- ◎ Accelerate development of CASE products/business

Existing businesses (clutch area)

- ◎ Build resilient structures and shift resources in anticipation of lower production

Target

2025

Vision

2030

Be ready for EV/CASE business

EV/CASE

¥20.0 billion

Clutch

Build up for the structure enables profitability even in a shrinking market

### New Businesses (CASE area)

#### ◆ Entry into motor core submodule market

▷By leveraging our technology and global production platform, we will move forward with the development of differentiated technology, aiming to create the pillars of future businesses

#### ◆ Accelerate development of CASE products/business

▷Diversify our value offering through the use of core technology developed in the existing business (Aluminum diecast added-value, bonding of dissimilar materials, thermal management)

### Existing Business (clutch area)

#### ◆ Build resilient structures\* and shift resources in anticipation of lower production

▷Thorough fixed cost reductions through selection and concentration  
▷Strategy of integration/efficiency improvements along the product/regional axes

\*Build structures that will generate profit even after structural declines in production

# Business Strategy

## ⚙️ Business strategy (non-mobility business)

Toward achieving carbon neutrality and the SDGs, build a foundation for business diversification by commercializing products in the environmental / energy sector and creating new businesses that lead to the resolution of social issues

### Non-mobility business

New businesses

- ◎ Promote commercialization of products in circular economy sector
- ◎ Promote commercialization of products in energy solutions sector
- ◎ Create diverse businesses that generate new value, and foster cultural transformation

Target

2025

Sales of **¥3.0 billion** by expanding existing themes and developing creation activities

Vision

2030

Sales of **¥27.0 billion** by developing established businesses overseas, etc.

### New Businesses (non-mobility area)

**Blend of FCC's core technologies**  
(chemical, mechanical)



**Proactive collaboration and alliances**

#### ◆ Circular economy

▷ Products and solutions that lead to the cleansing of the water and atmosphere, or to recycling systems

#### ◆ Energy solutions

▷ Energy solutions that generate, store, and save energy, or use thermal management (fuel cells, catalysts, etc.)

#### ◆ Create diverse businesses that generate new value, and foster cultural transformation

▷ "Experience" business  
▷ Fostering of creative culture within the company, development of new businesses to meet overseas needs



# Financial Strategy and Targets

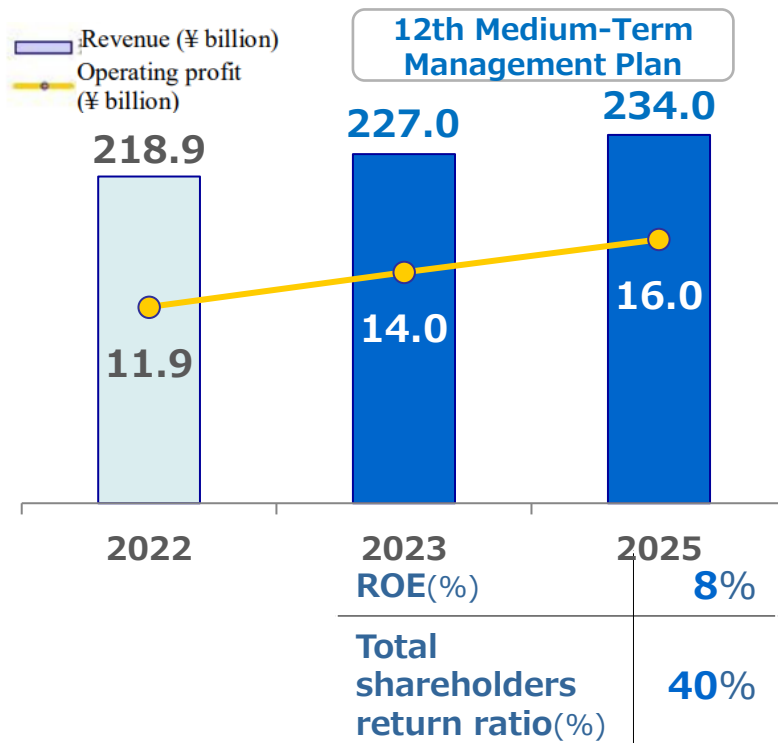
## Financial strategy and targets

Maintain sound financial health

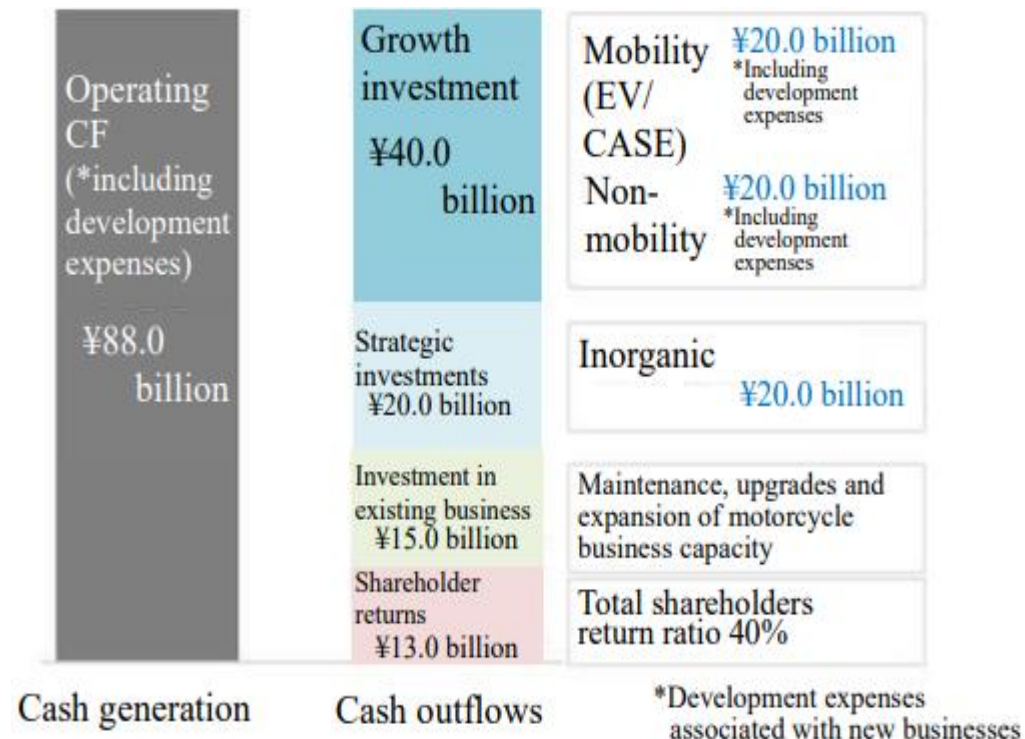
Cash generated by Clutch business to be allocated to growth investments as a priority

Total shareholders return ratio 40%

### Key performance indicators

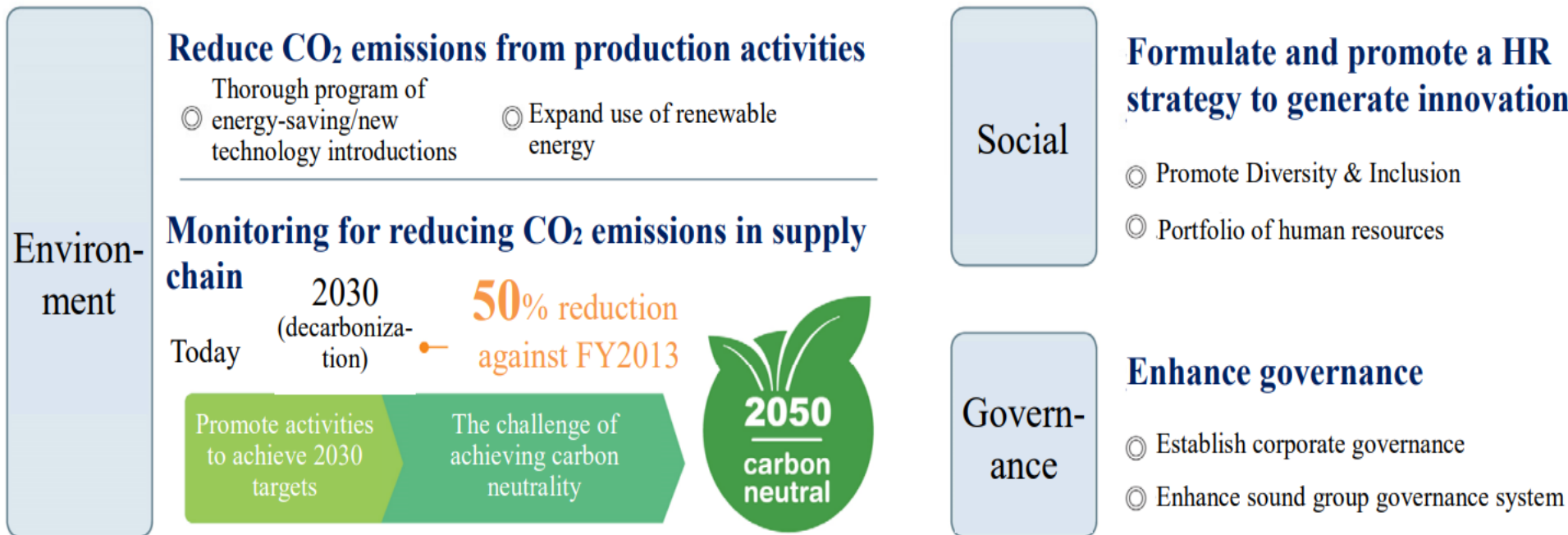


### Cash allocation (total for three years)



## Sustainability (ESG) initiatives

We have established the fundamental policy of contributing to the realization of a sustainable society and enhancing corporate value. In the ESG (Environmental, Social, and Governance) domain, we will collectively drive the following initiatives:



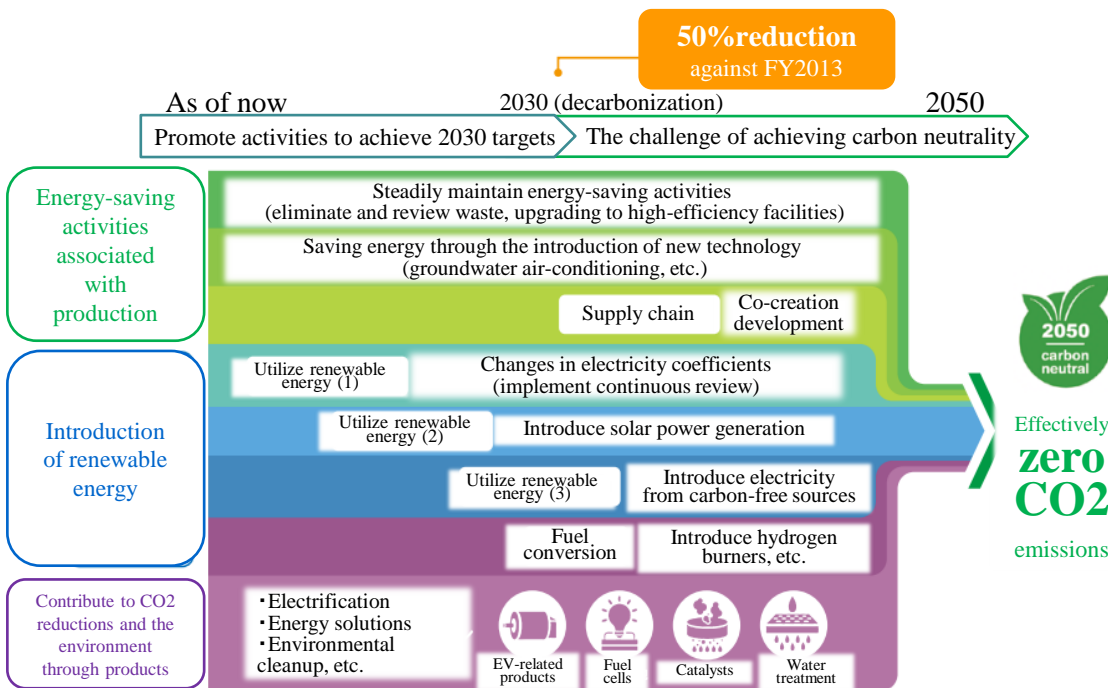


# Sustainability Initiatives

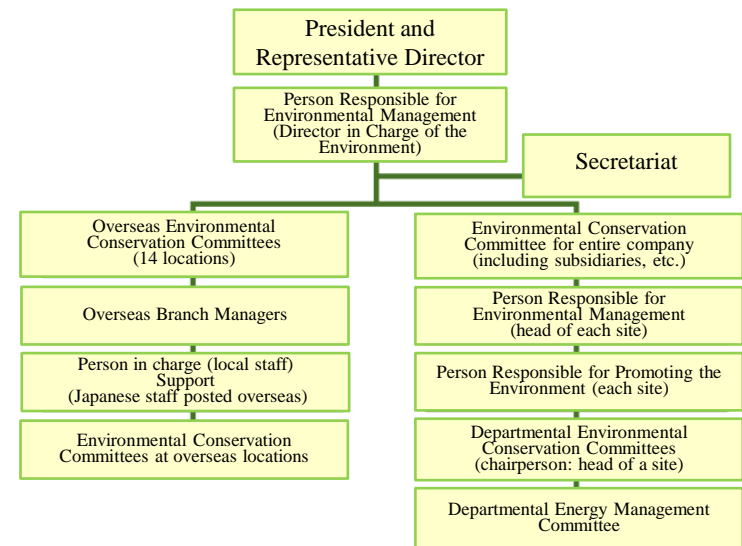
## Environment: preparing to achieve carbon neutrality in 2050

The Group as a whole aims to reduce total CO2 emissions by 50% by 2030 through energy-saving activities associated with production, the introduction of renewable energy, and new businesses and products.

### ● Roadmap for reducing CO2 emissions



### ● Group management structure



## Social

Generate innovation by developing human resources who work to bring about “the new FCC” of their own accord

### Diversity & Inclusion

#### ◆ Promote participation by diverse human resources

▷ Mid-career hires, foreign nationals, people with disabilities, seniors

#### ◆ Achieve career/lifestyle suits the individual

▷ Choice of work style, personnel evaluation and development systems, assigning the right person to the right place

### Portfolio of human resources

#### ◆ Formulate portfolio of human resources to generate innovation

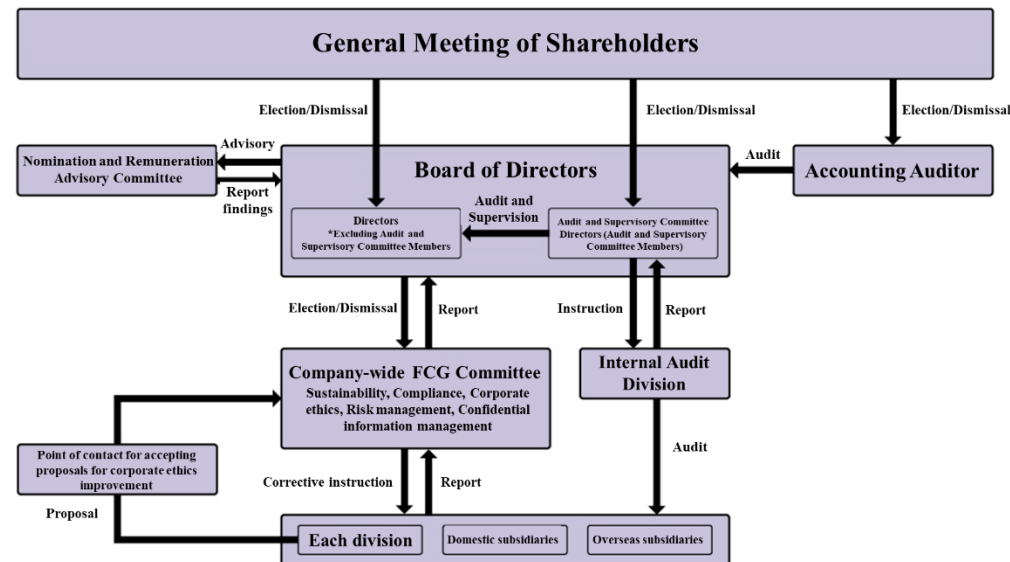
▷ HR strategy aimed at achieving “the new FCC” and linked to the business strategy

**Fixed-point observations through engagement surveys and ongoing follow-up**

## Governance

Instill the charter of corporate conduct throughout the Group, and further enhance sound Group governance

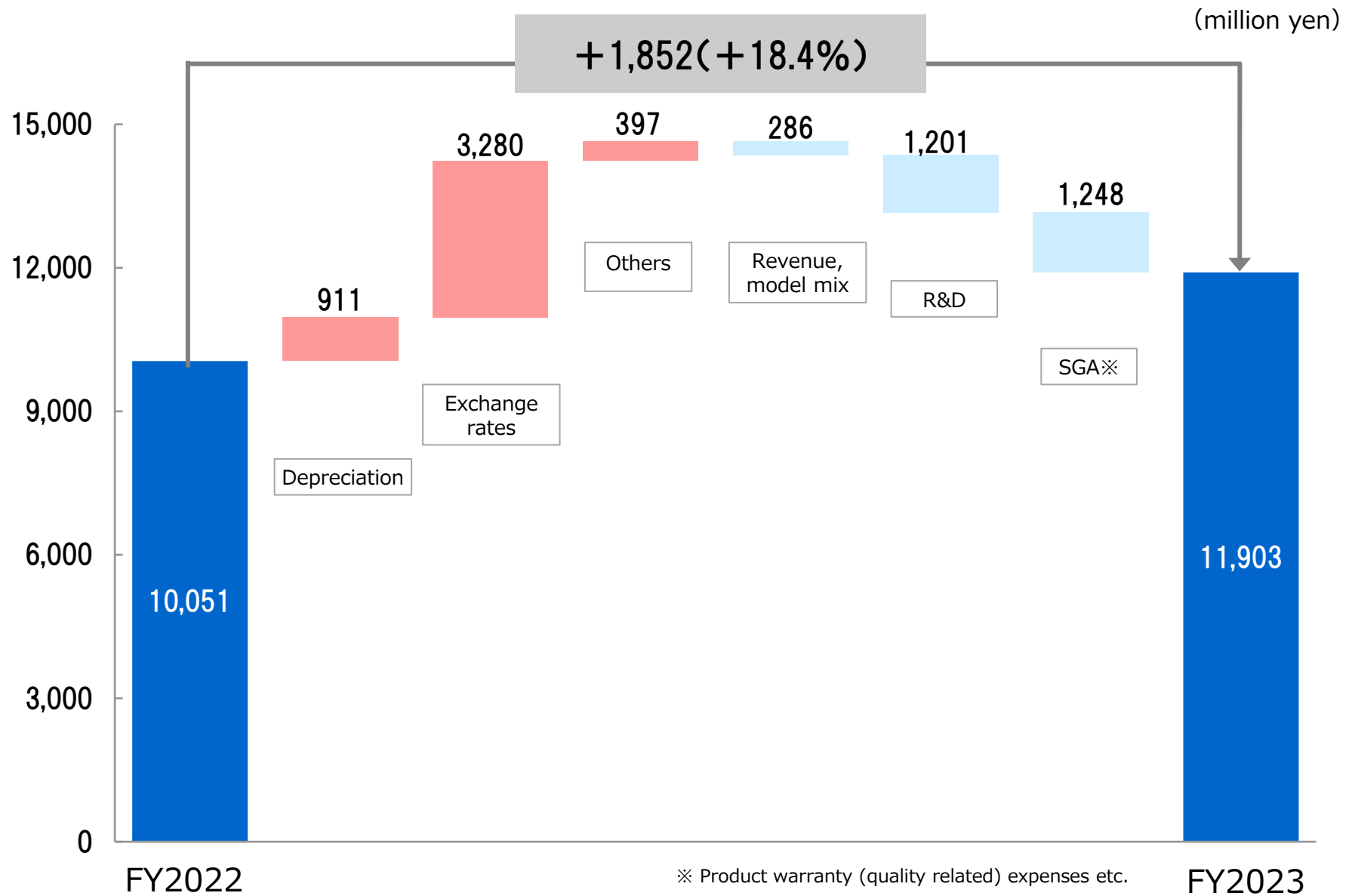
### ● Corporate Governance system



# Consolidated Results for FY2023



# FY2023 Fluctuations for Operating Profit



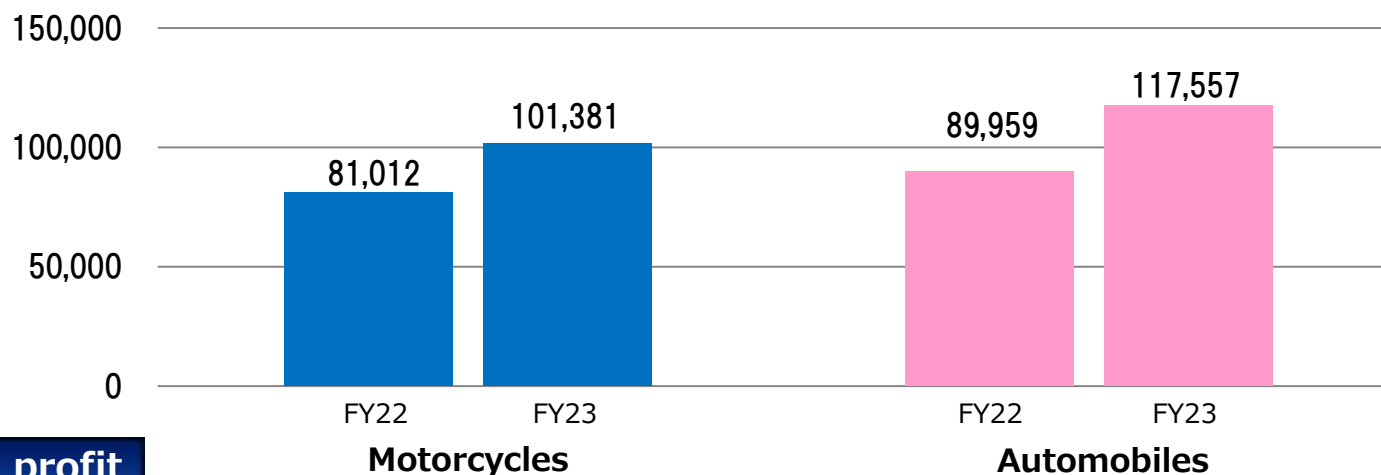
# Revenue/Operating Profit by Business Segment (FY2023)



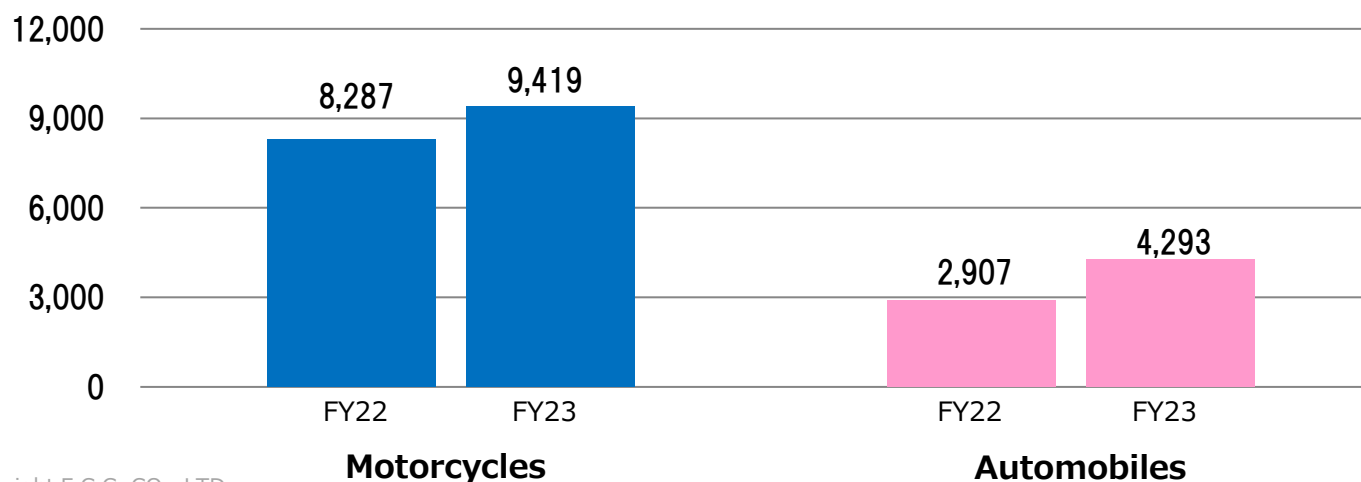
## Consolidated

(million yen)

### Revenue



### Operating profit



# FY2023 Sales by Customer

## Total

(million yen)

	FY22 Results		FY23 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
<b>HONDA Group</b>	67,184	39.3%	81,493	37.2%	14,309	21.3%
<b>YAMAHA Group</b>	11,977	7.0%	14,530	6.6%	2,553	21.3%
<b>SUZUKI Group</b>	3,251	1.9%	4,823	2.2%	1,572	48.4%
<b>KAWASAKI Group</b>	2,174	1.3%	2,380	1.1%	206	9.5%
<b>FORD</b>	26,609	15.6%	40,258	18.4%	13,649	51.3%
<b>GM</b>	15,573	9.1%	22,133	10.1%	6,560	42.1%
<b>ZF/STELLANTIS</b>	9,863	5.8%	12,841	5.9%	2,978	30.2%
<b>Kanematsu (Harley-Davidson ,etc.)</b>	6,758	4.0%	5,425	2.5%	△1,333	△19.7%
<b>Others</b>	27,582	16.1%	35,056	16.0%	7,474	27.1%
<b>Total</b>	170,971	100.0%	218,939	100.0%	47,968	28.1%



# FY2023 Sales by Customer

## Motorcycle clutches

(million yen)

	FY22 Results		FY23 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
<b>HONDA Group</b>	36,760	45.4%	48,399	47.7%	11,639	31.7%
<b>YAMAHA Group</b>	11,977	14.8%	14,530	14.3%	2,553	21.3%
<b>SUZUKI Group</b>	3,251	4.0%	4,823	4.8%	1,572	48.4%
<b>KAWASAKI Group</b>	2,174	2.7%	2,380	2.3%	206	9.5%
Kanematsu (Harley-Davidson ,etc.)	6,495	8.0%	5,227	5.2%	△1,268	△19.5%
<b>Hero</b>	3,816	4.7%	4,822	4.8%	1,006	26.4%
<b>Bajaj</b>	2,093	2.6%	2,650	2.6%	557	26.6%
<b>TVS</b>	3,410	4.2%	5,134	5.1%	1,724	50.6%
<b>Others</b>	11,036	13.6%	13,417	13.2%	2,381	21.6%
<b>Total</b>	<b>81,012</b>	<b>100.0%</b>	<b>101,381</b>	<b>100.0%</b>	<b>20,370</b>	<b>25.1%</b>

# FY2023 Sales by Customer



## Automobile clutches

(million yen)

	FY22 Results		FY23 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
<b>HONDA Group</b>	30,424	33.8%	33,094	28.2%	2,670	8.8%
<b>FORD</b>	26,609	29.6%	40,258	34.2%	13,649	51.3%
<b>GM</b>	15,573	17.3%	22,133	18.8%	6,560	42.1%
<b>ZF</b>	5,932	6.6%	6,329	5.4%	397	6.7%
<b>STELLANTIS</b>	3,931	4.4%	6,512	5.5%	2,581	65.7%
<b>Others</b>	7,490	8.3%	9,232	7.9%	1,742	23.3%
<b>Total</b>	<b>89,959</b>	<b>100.0%</b>	<b>117,557</b>	<b>100.0%</b>	<b>27,599</b>	<b>30.7%</b>

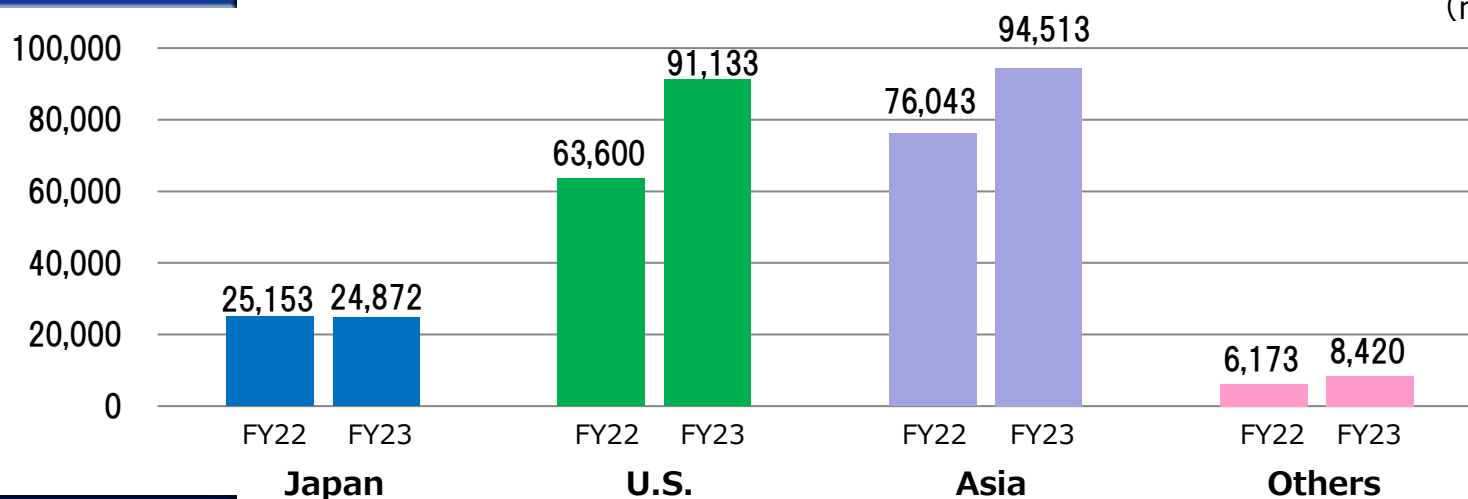
# Revenue/Operating Profit by Geographical Segment (FY2023)



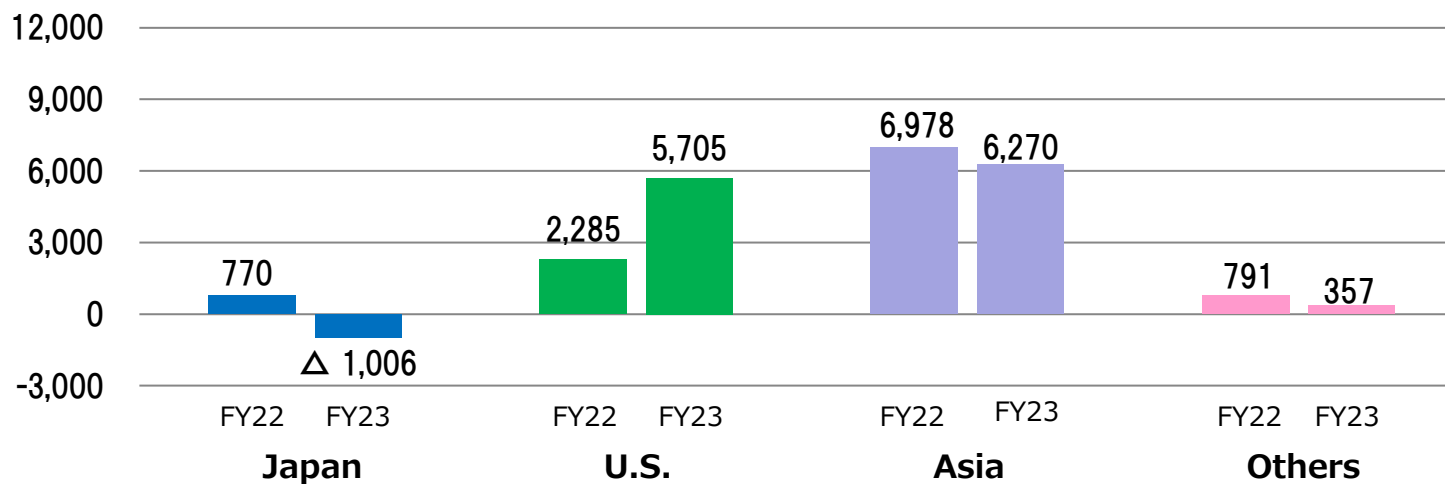
## Consolidated

### Revenue

(million yen)



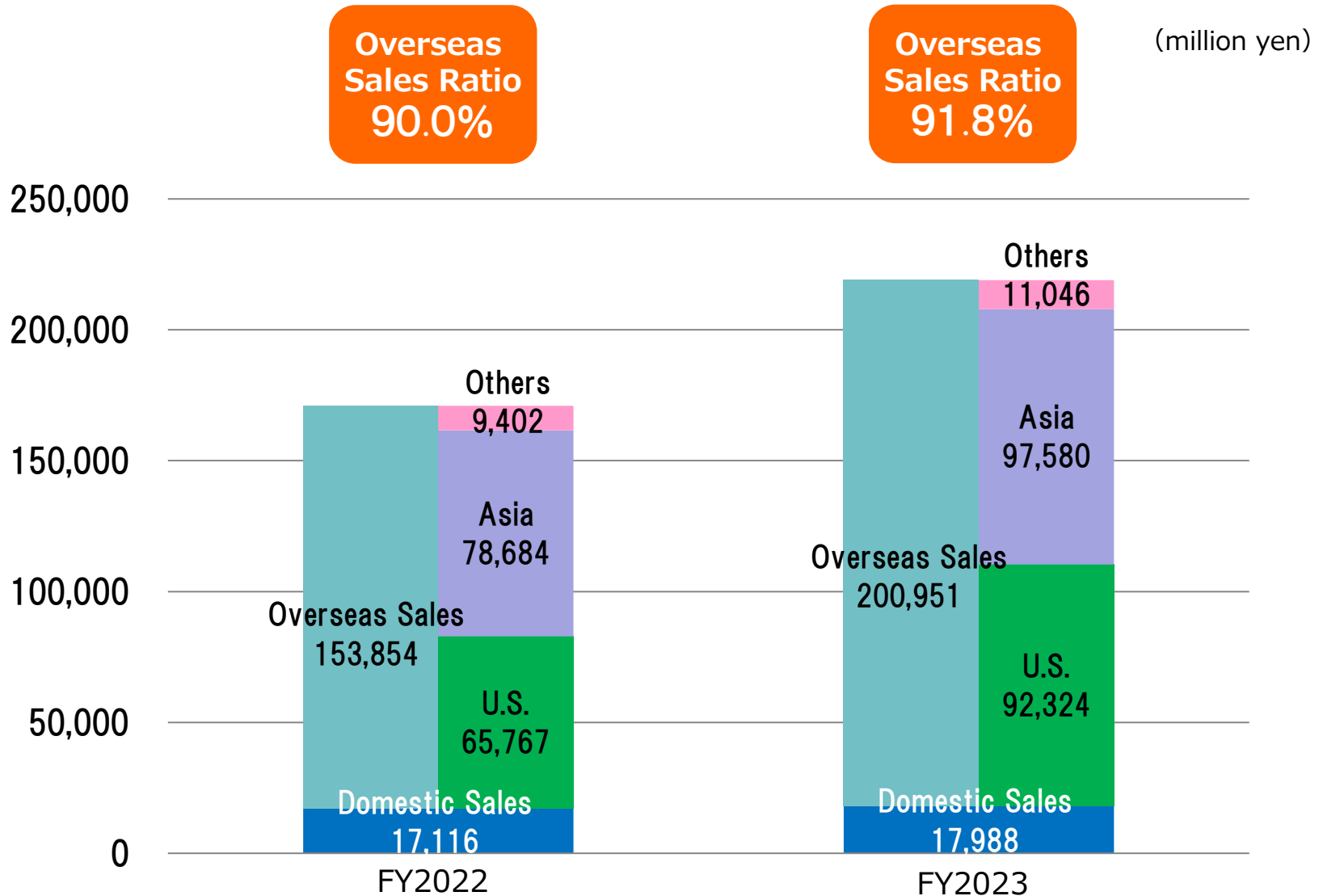
### Operating profit



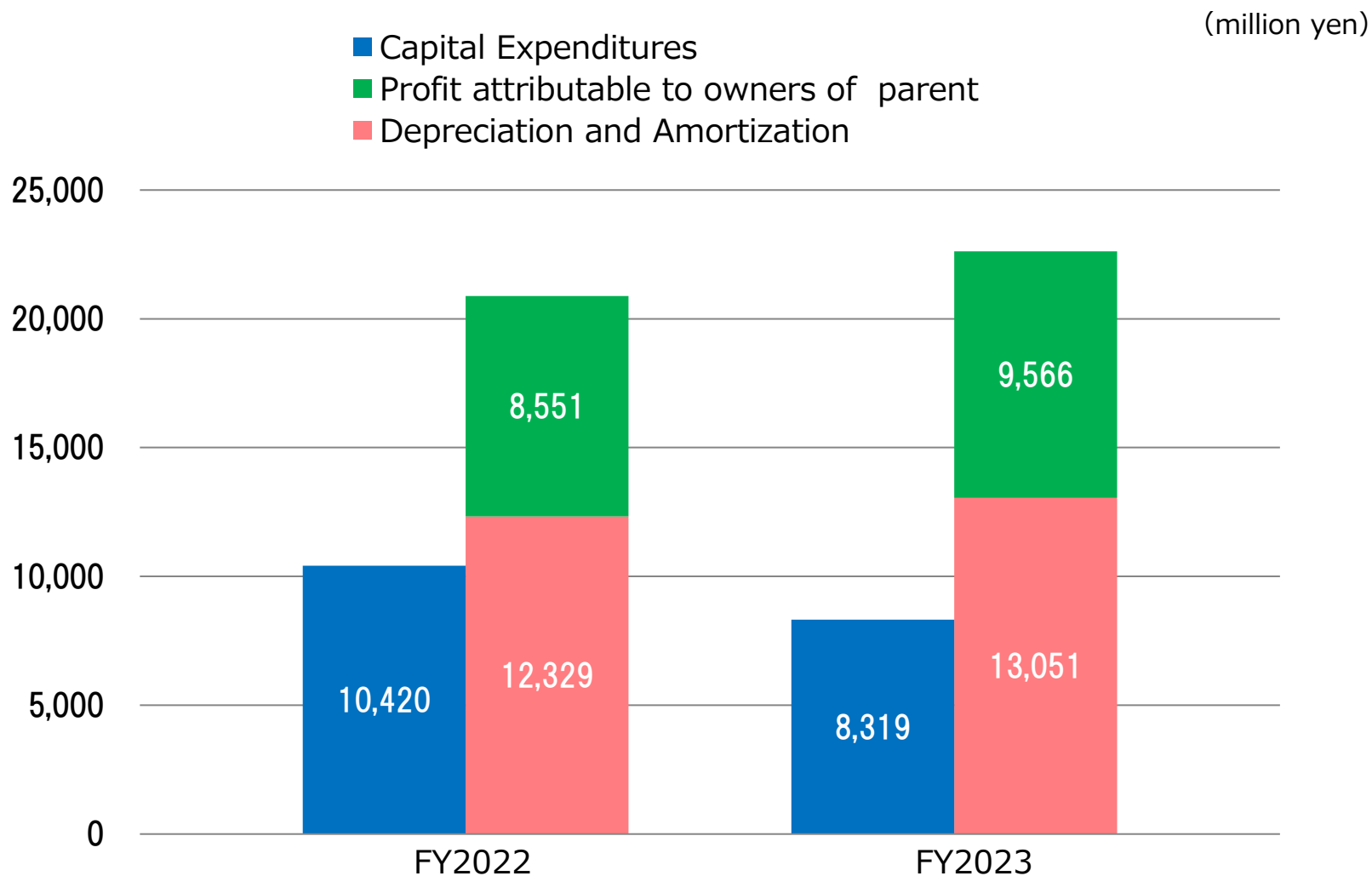


# The Foreign Sales Ratio

## Consolidated



## Consolidated



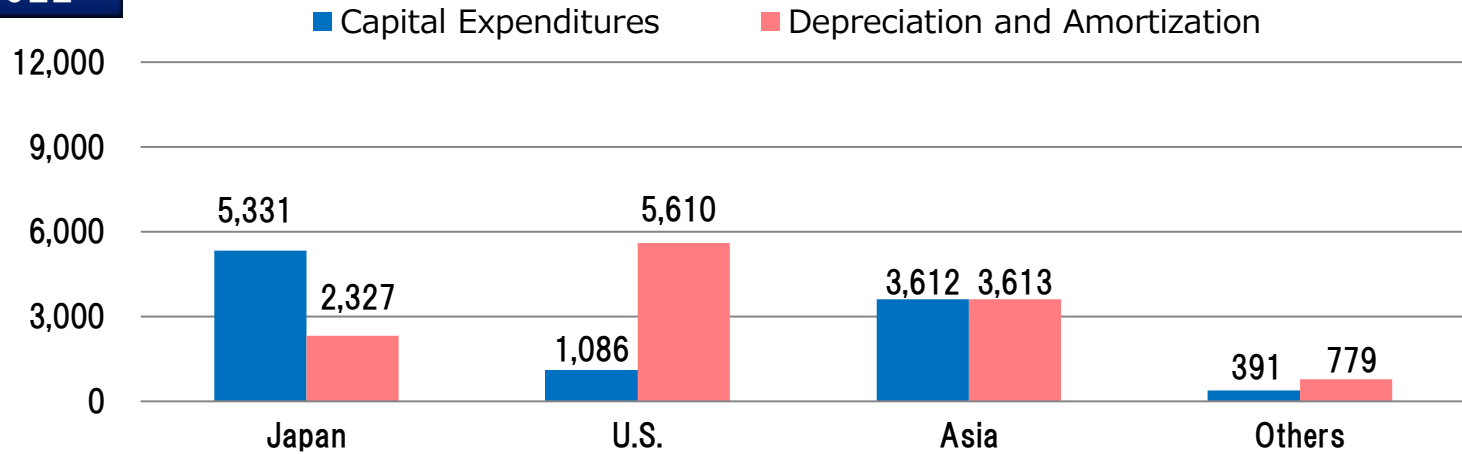
# Capital Expenditures & Depreciation and Amortization by Geographical Segment (FY2023 Forecast)



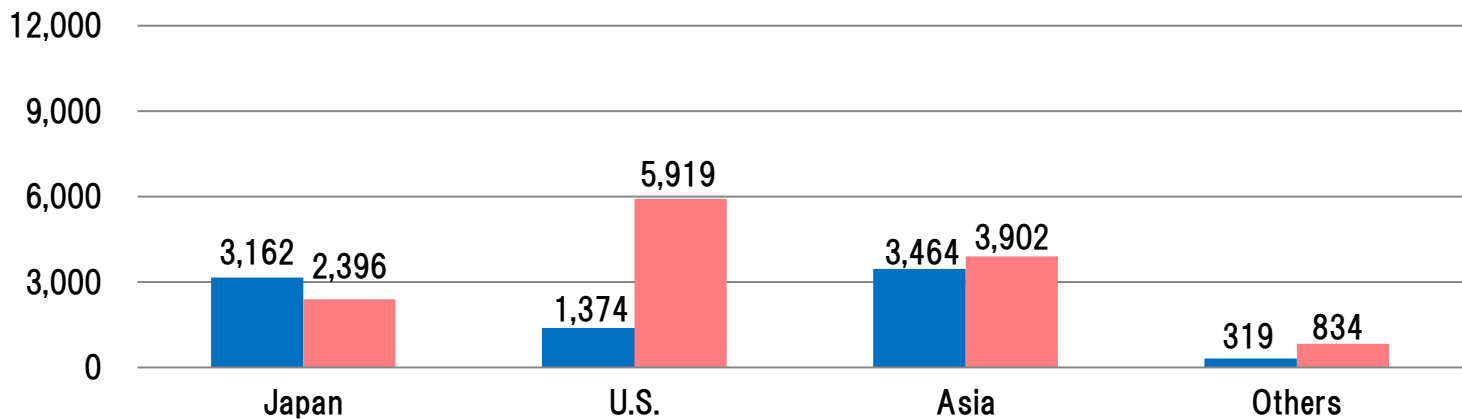
## Consolidated

**FY2022**

(million yen)



**FY2023**





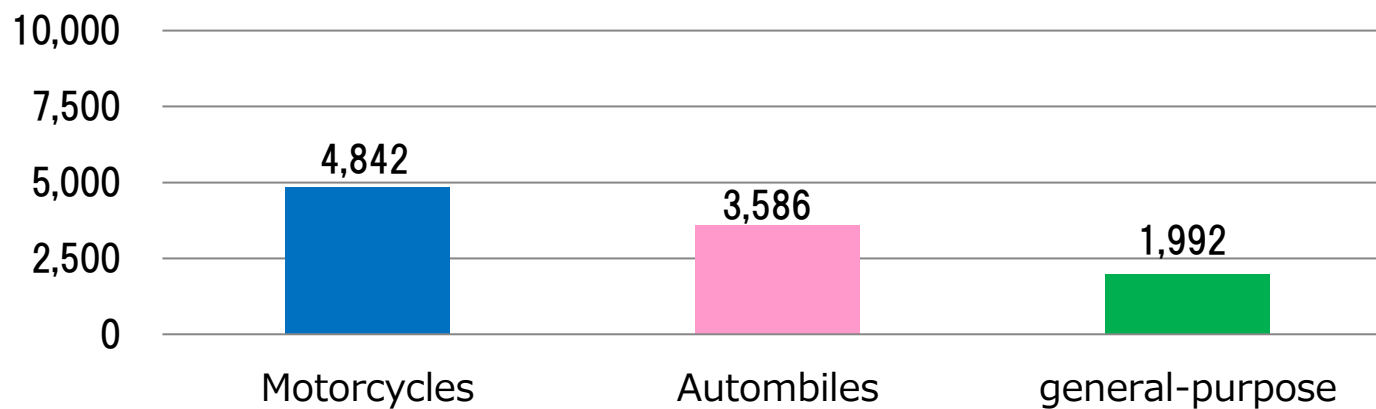
# Capital Expenditures by Business Segment



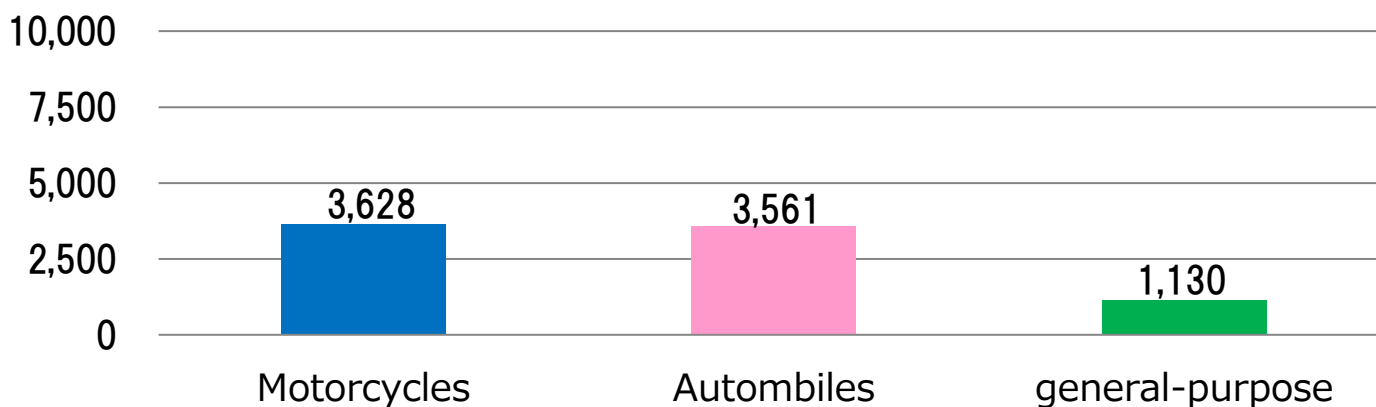
## Consolidated

**FY2022**

(million yen)



**FY2023**



# The principal capital expenditures



## FY2023 Results

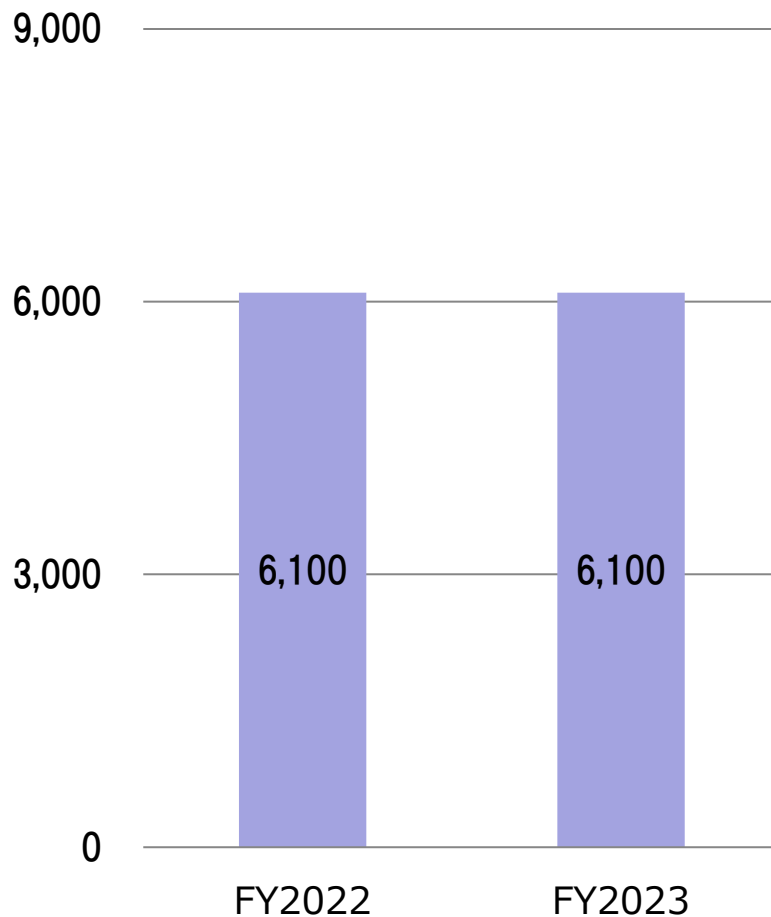
(million yen)

Region	Base	amount	Item
Japan	F.C.C. CO., LTD.	1,711	Buildings, mfg facilities to produce new models and prod. capacity expansion
	FLINT CO., LTD.	1,296	Buildings and prod. capacity expansion
U.S.	FCC (Adams), LLC	814	Mfg facilities to produce new models and prod. capacity expansion
	FCC (INDIANA), LLC	507	Mfg facilities to produce new models and prod. capacity expansion
Asia	FCC INDIA	1,020	Prod. capacity expansion and adoption of in-house mfg
	CHINA FCC FOSHAN CO.,LTD.	780	Mfg facilities to produce new models and prod. capacity expansion
	FCC(VIETNAM)CO.,LTD.	716	Mfg facilities to produce new models and prod. capacity expansion
Others	FCC DO BRASIL LTDA.	295	Prod. capacity expansion

# Interest-Bearing Debts and Cash Flows

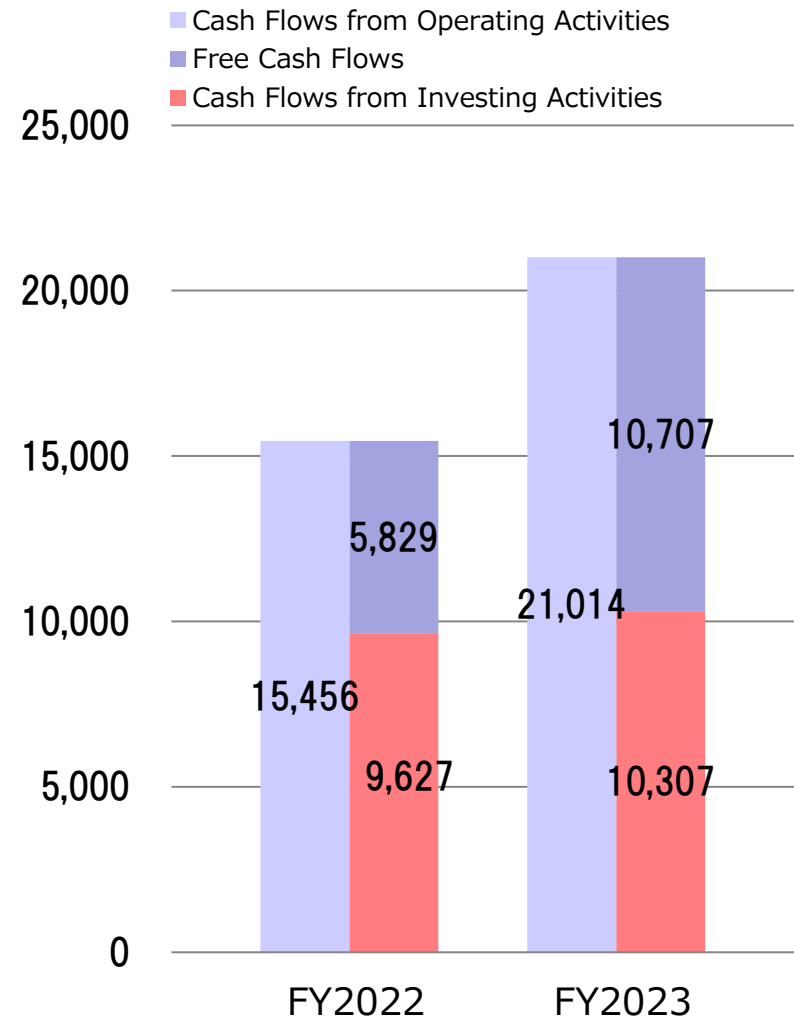
## Interest-Bearing Debts

(million yen)



## Cash Flows

(million yen)



# Exchange Rates FY2023



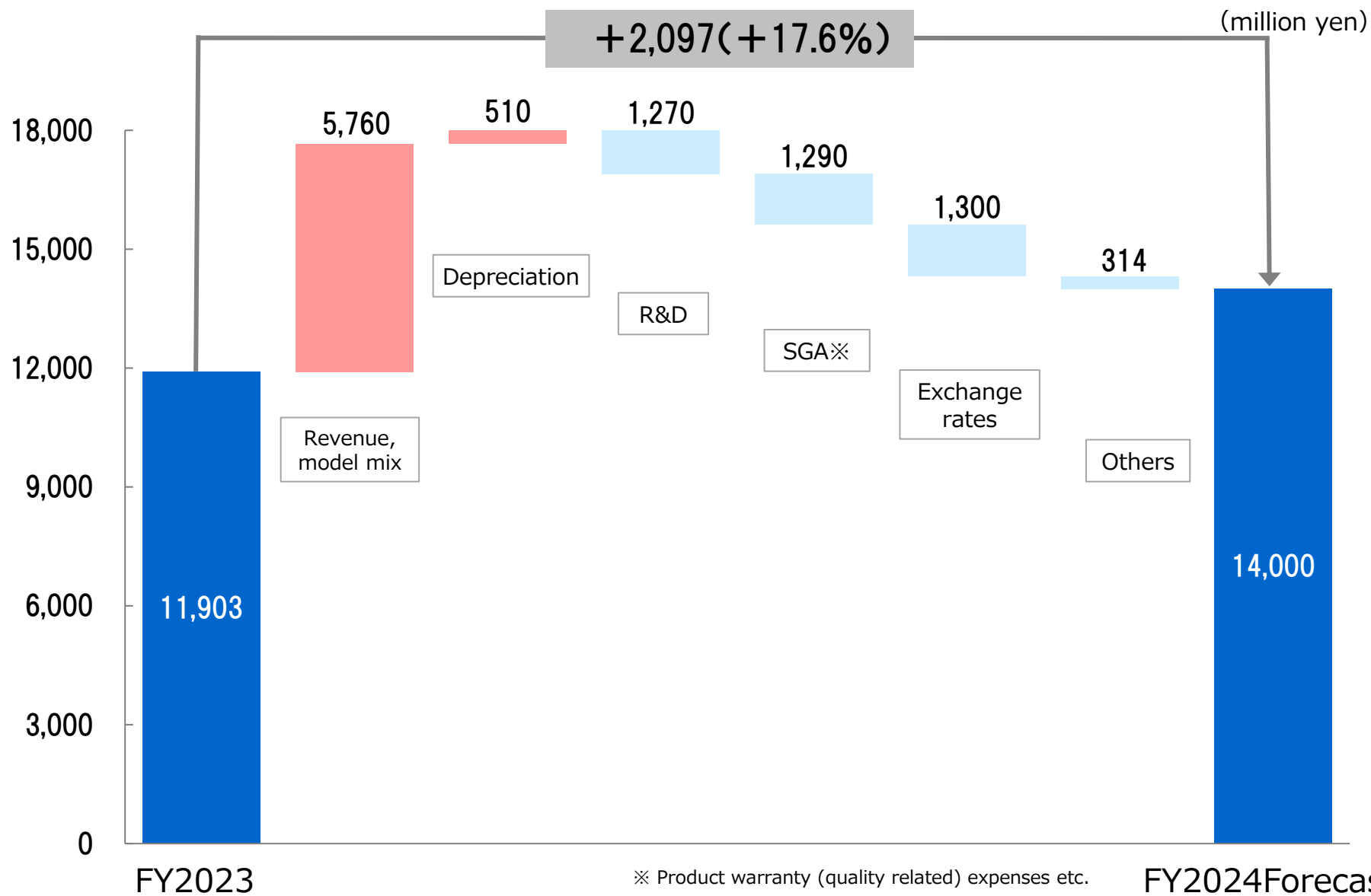
(Average exchange rate)

Location	Currency	FY2022	FY2023	Change
U.S.	USD	¥112.39	¥135.48	20.5%
Mexico	MXN	¥5.53	¥6.90	24.8%
Thailand	THB	¥3.44	¥3.85	11.9%
Indonesia	IDR	¥0.0078	¥0.0090	15.4%
India	INR	¥1.51	¥1.69	11.9%
China	CNY	¥17.51	¥19.75	12.8%
Brazil	BRL	¥21.11	¥26.31	24.6%
Taiwan	TWD	¥4.03	¥4.46	10.7%
Philippines	PHP	¥2.25	¥2.45	8.9%
Vietnam	VND	¥0.00493	¥0.00573	16.2%



# Consolidated Forecast for FY2024

# Forecast of Fluctuations for Operating Profit (FY2024)



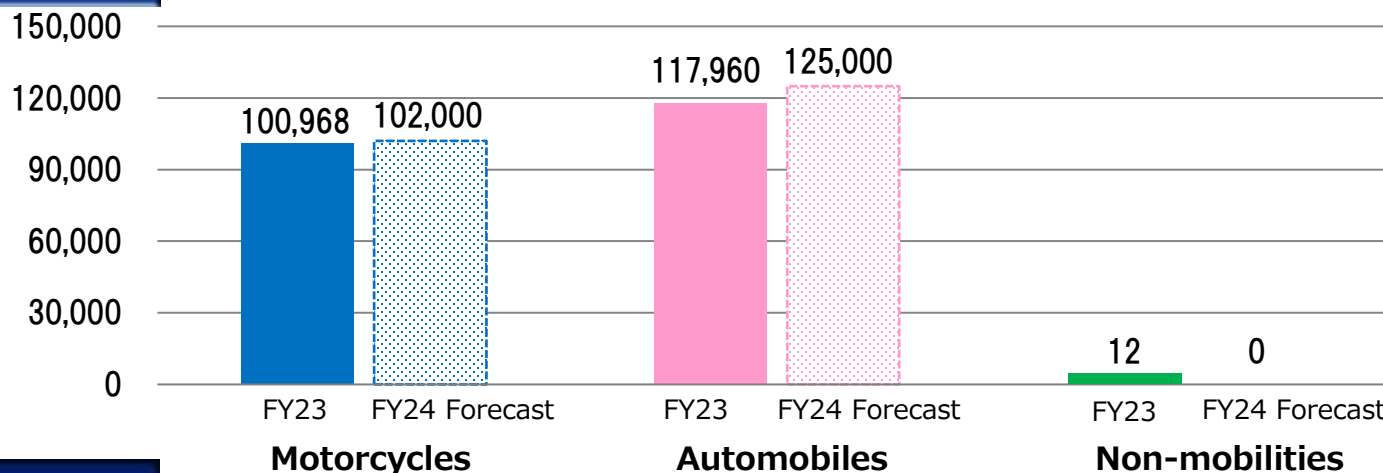
# Revenue/Operating profit by Business Segment (FY2024 Forecast)



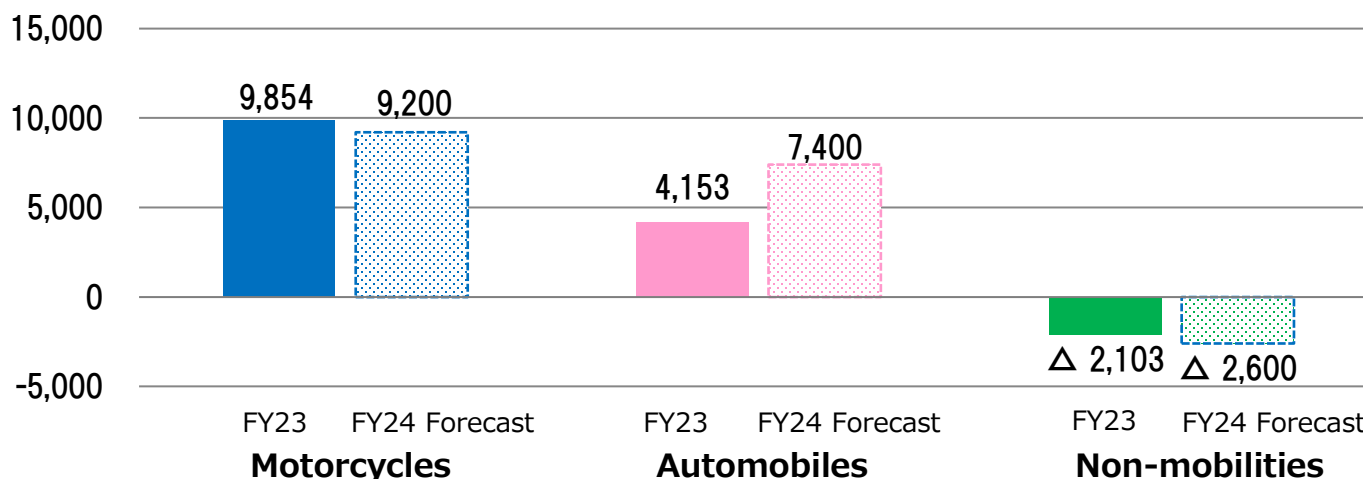
## Consolidated

### Revenue

(million yen)



### Operating profit





# Forecast of Sales by Customer

(FY2024 Forecast)



(million yen)

	FY23 Results		FY24 Forecast		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	81,493	37.2%	85,340	37.6%	3,847	4.7%
YAMAHA Group	14,530	6.6%	14,380	6.3%	△150	△1.0%
SUZUKI Group	4,823	2.2%	4,720	2.1%	△103	△2.1%
KAWASAKI Group	2,380	1.1%	2,500	1.1%	120	5.0%
FORD	40,258	18.4%	44,080	19.4%	3,822	9.5%
GM	22,133	10.1%	23,820	10.5%	1,687	7.6%
ZF/STELLANTIS	12,841	5.9%	10,760	4.7%	△2,081	△16.2%
Kanematsu (Harley-Davidson ,etc.)	5,425	2.5%	5,060	2.2%	△365	△6.7%
Others	35,056	16.0%	36,340	16.0%	1,284	3.7%
<b>Total</b>	<b>218,939</b>	<b>100.0%</b>	<b>227,000</b>	<b>100.0%</b>	<b>8,061</b>	<b>3.7%</b>



# Forecast of Sales by Customer

## (FY2024 Forecast)



### Motorcycle clutches

(million yen)

	FY23 Results		FY24 Forecast		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	48,399	47.9%	50,810	49.8%	2,411	5.0%
YAMAHA Group	14,530	14.4%	14,380	14.1%	△150	△1.0%
SUZUKI Group	4,823	4.8%	4,720	4.6%	△103	△2.1%
KAWASAKI Group	2,380	2.4%	2,500	2.5%	120	5.0%
Kanematsu (Harley-Davidson ,etc.)	5,227	5.2%	4,960	4.9%	△267	△5.1%
Hero	4,822	4.8%	4,340	4.3%	△482	△10.0%
Bajaj	2,650	2.6%	2,550	2.5%	△100	△3.8%
TVS	5,134	5.1%	5,290	5.2%	156	3.0%
Others	13,003	12.9%	12,450	12.2%	△553	△4.3%
Total	100,968	100.0%	102,000	100.0%	1,032	1.0%

# Forecast of Sales by Customer

## (FY2024 Forecast)



### Automobile clutches

(million yen)

	FY23 Results		FY24 Forecast		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
<b>HONDA Group</b>	33,094	28.1%	34,530	27.6%	1,436	4.3%
<b>FORD</b>	40,258	34.1%	44,080	35.3%	3,822	9.5%
<b>GM</b>	22,133	18.8%	23,820	19.1%	1,687	7.6%
<b>ZF</b>	6,329	5.4%	5,180	4.1%	△1,149	△18.2%
<b>STELLANTIS</b>	6,512	5.5%	5,580	4.5%	△932	△14.3%
<b>Others</b>	9,634	8.2%	11,810	9.4%	2,176	22.6%
<b>Total</b>	117,960	100.0%	125,000	100.0%	7,040	6.0%

# Forecast of Sales by Customer

## (FY2024 Forecast)



### Non-mobilities

(million yen)

	FY23 Results		FY24 Forecast		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
Others	12	100.0%	0	—	Δ12	—
Total	12	100.0%	0	—	Δ12	—

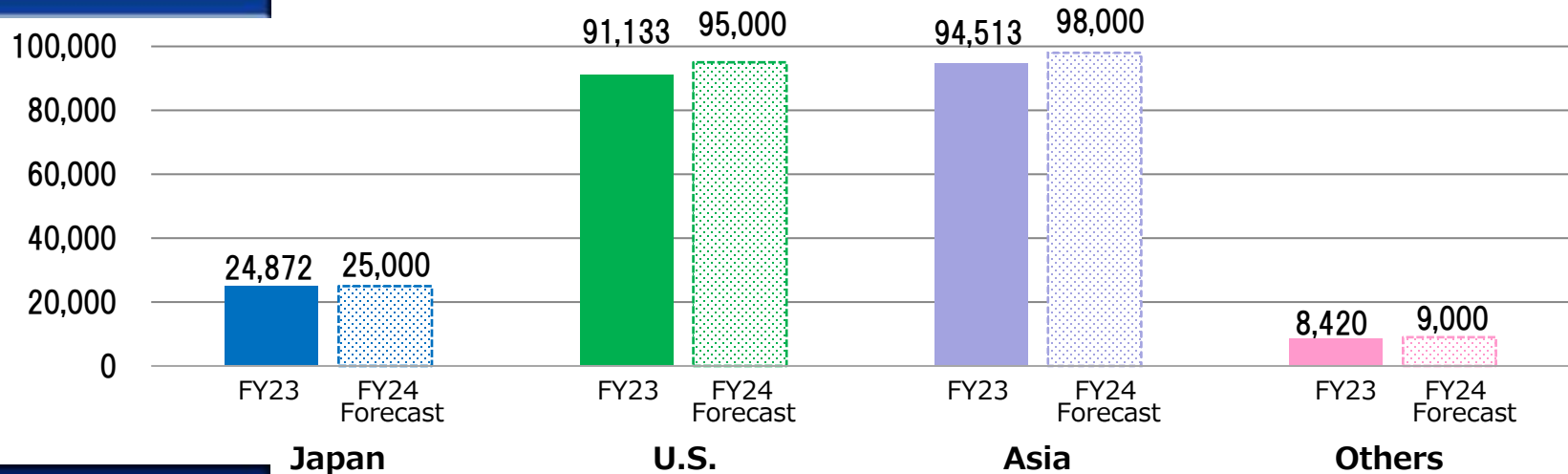
# Revenue/Operating Profit by Geographical Segment (FY2024 Forecast)



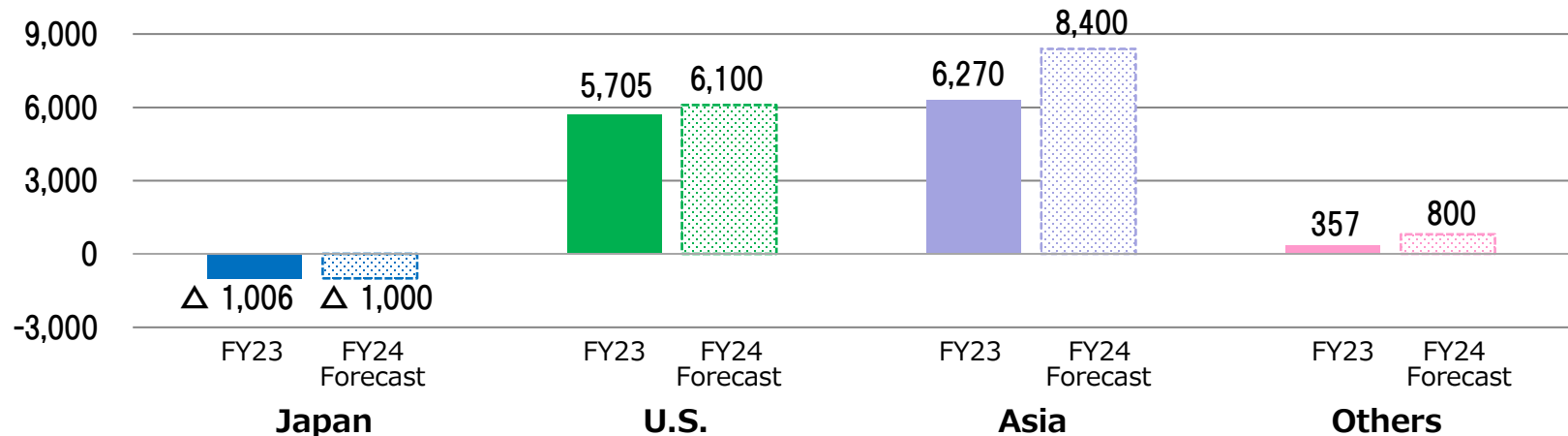
## Consolidated

### Revenue

(million yen)



### Operating profit

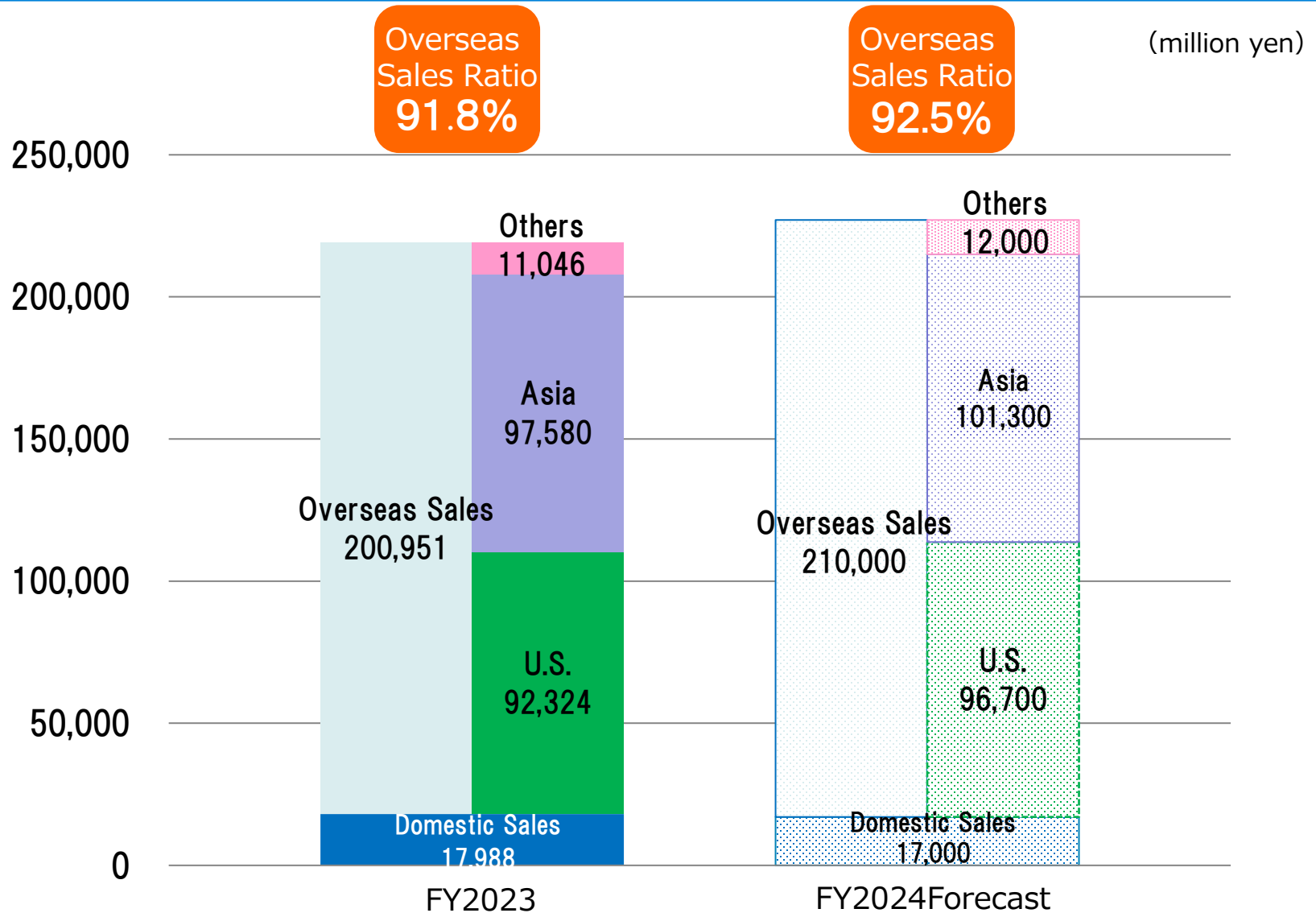




# The Foreign Sales Ratio (FY2024 Forecast)



## Consolidated

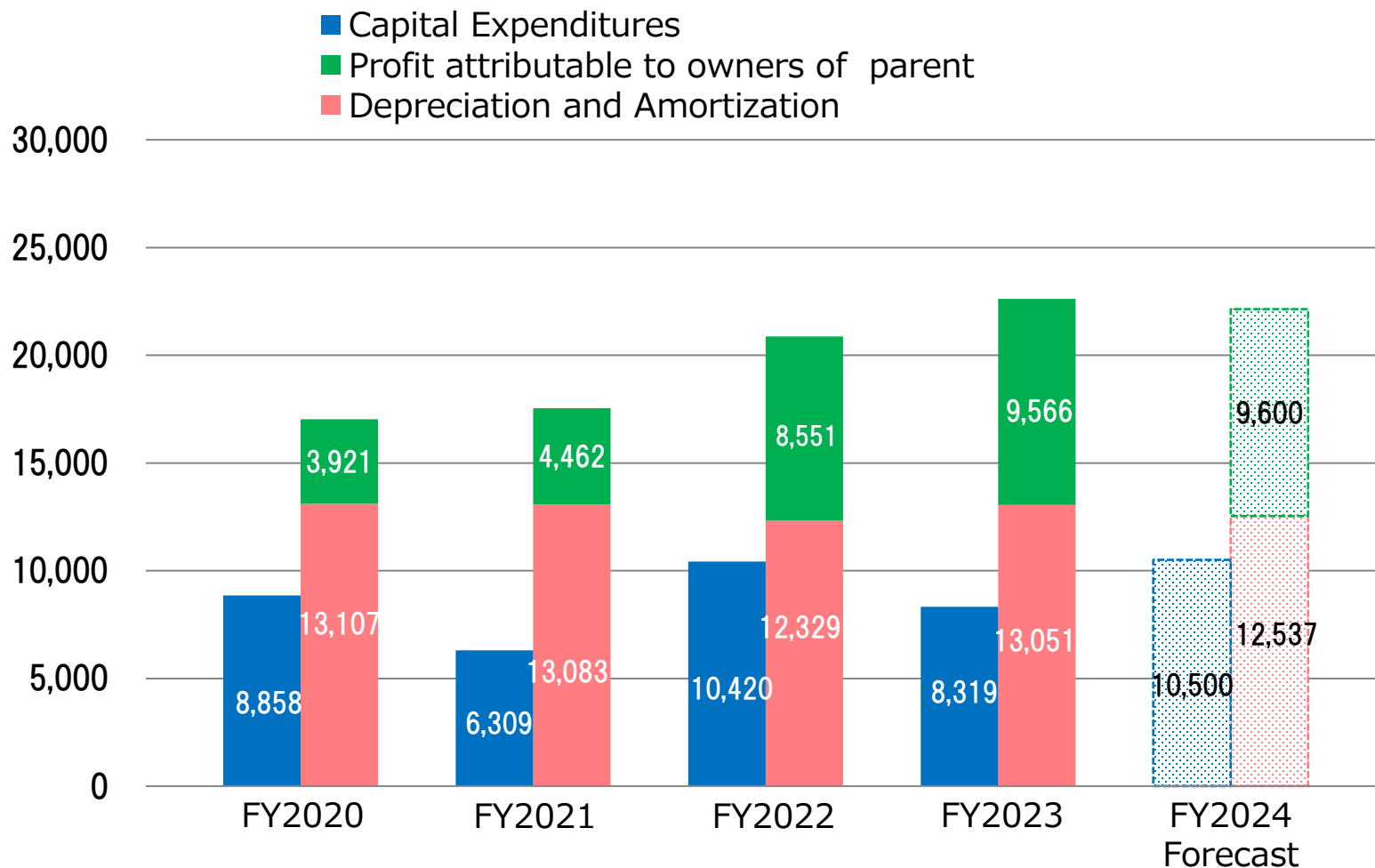


# Capital Expenditures & Depreciation and Amortization (FY2024 Forecast)



## Consolidated

(million yen)



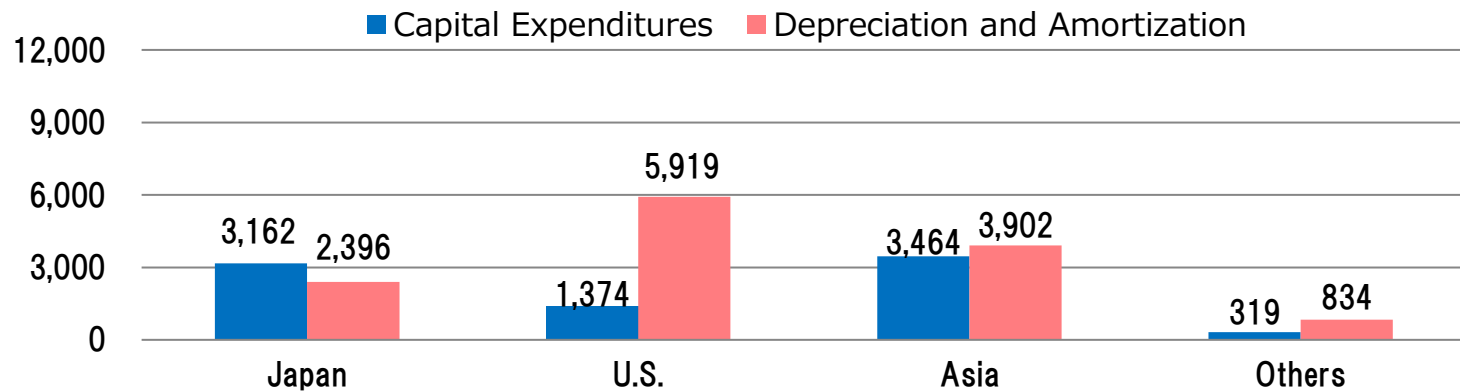
# Capital Expenditures & Depreciation and Amortization by Geographical Segment (FY2024 Forecast)



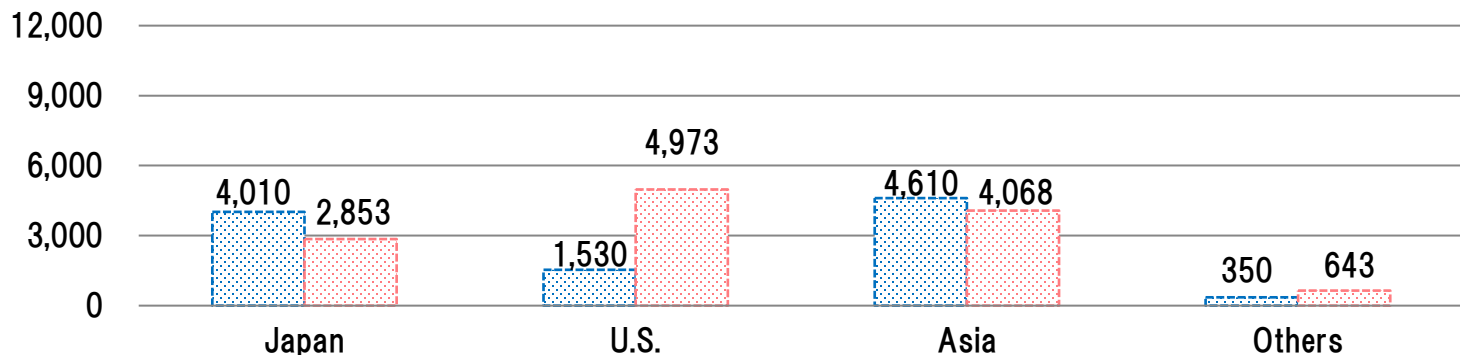
## Consolidated

**FY2023**

(million yen)



**FY2024 Forecast**



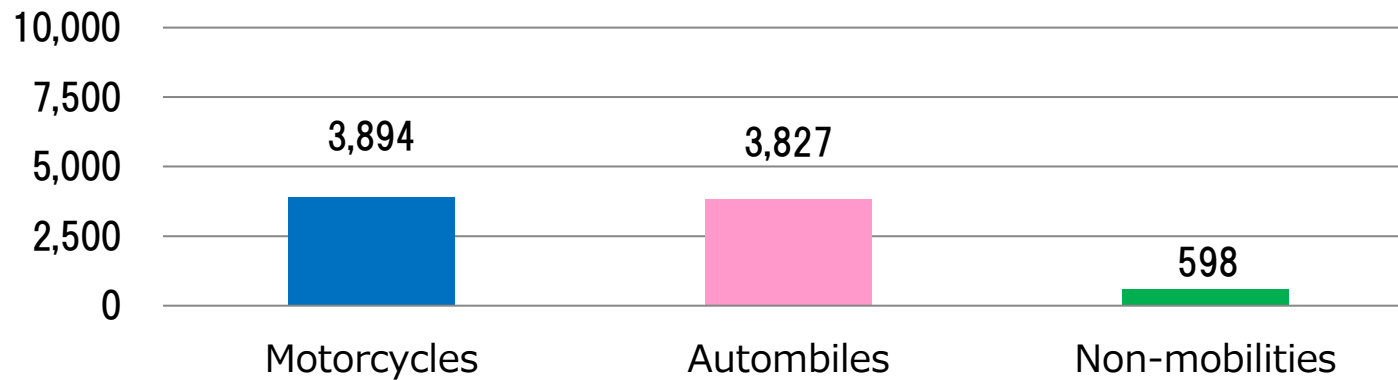
# Capital Expenditures by Business Segment (FY2024 Forecast)



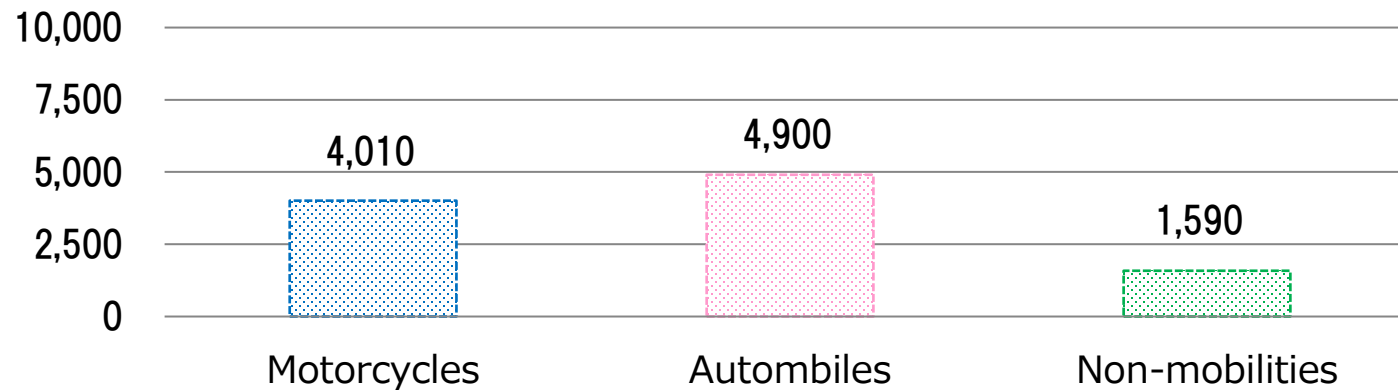
## Consolidated

**FY2023**

(million yen)



**FY2024 Forecast**





# The principal capital expenditures (FY2024 Forecast)



FY2024 Forecast

(million yen)

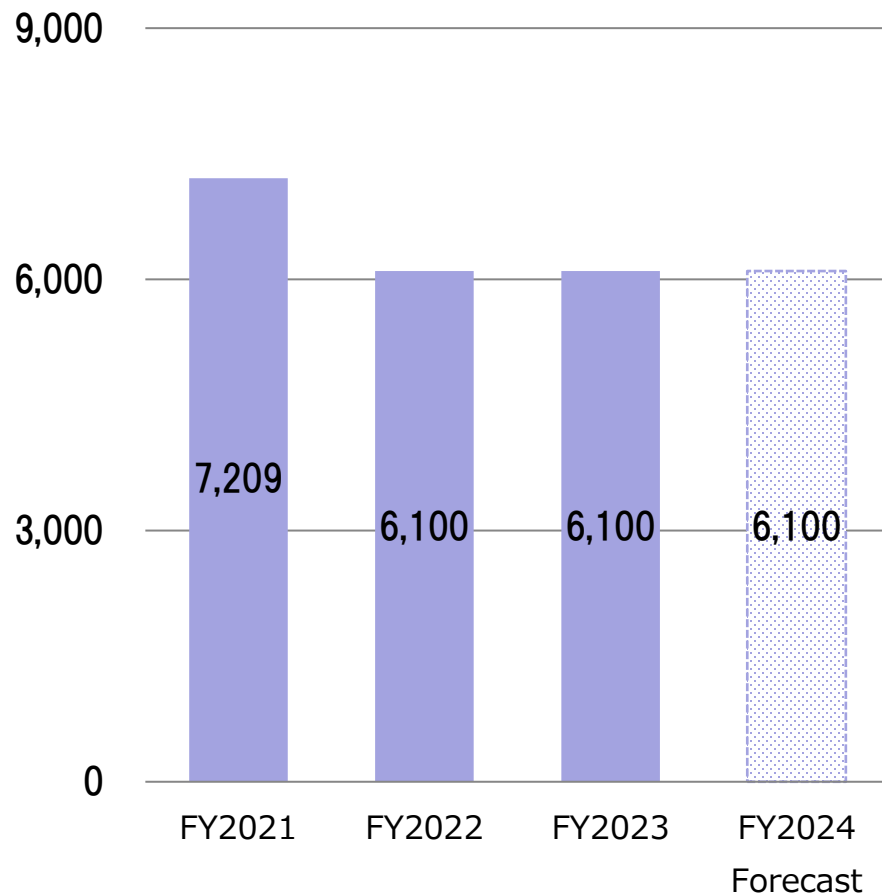
Region	Base	amount	Item
Japan	F.C.C. CO., LTD.	3,460	New businesses, mfg facilities to produce new models and prod. capacity expansion
U.S.	FCC (Adams), LLC	990	Mfg facilities to produce new models and prod. capacity expansion
	FCC (INDIANA), LLC	530	Mfg facilities to produce new models and prod. capacity expansion
Asia	FCC INDIA	1,610	New businesses and prod. capacity expansion
	FCC(VIETNAM)CO.,LTD.	1,050	Mfg facilities to produce new models and prod. capacity expansion
	CHINA FCC FOSHAN CO., LTD.	570	Mfg facilities to produce new models and prod. capacity expansion
	PT. FCC INDONESIA	450	Mfg facilities to produce new models and prod. capacity expansion
Others	FCC DO BRASIL LTDA.	300	Prod. capacity expansion

# Interest-Bearing Debts and Cash Flows (FY2024 Forecast)



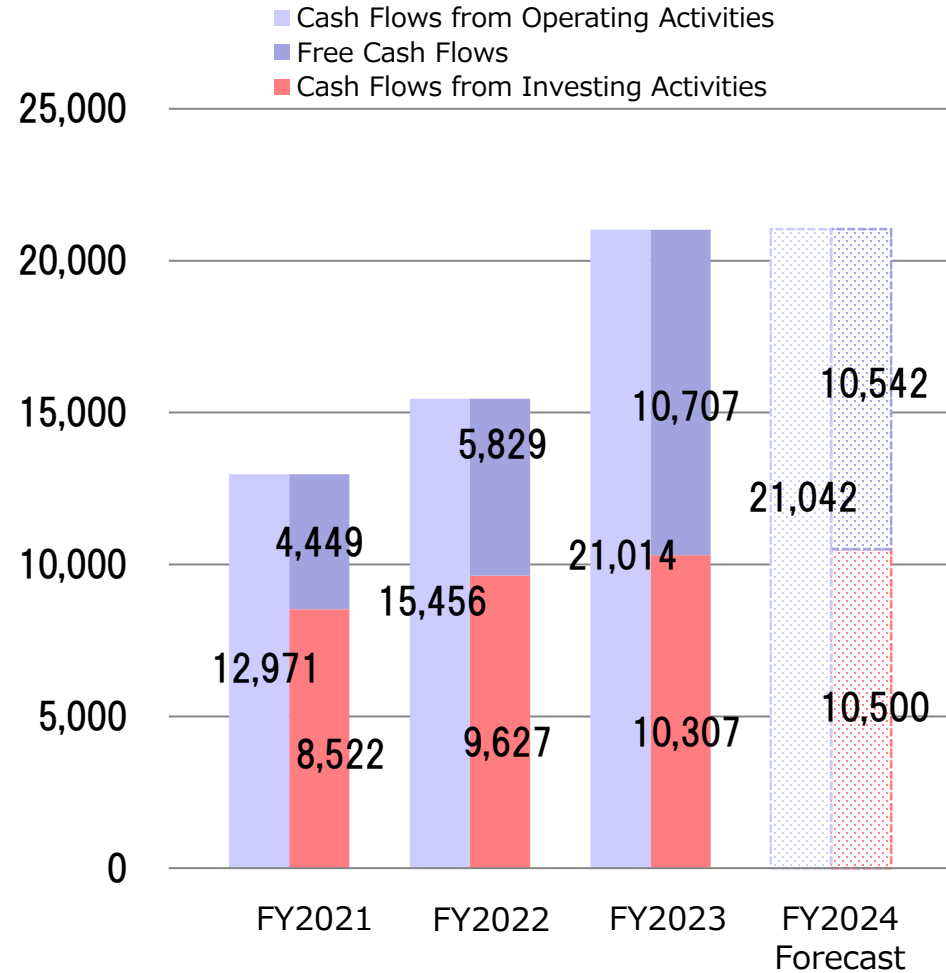
## Interest-Bearing Debts

(million yen)



## Cash Flows

(million yen)



# Exchange Rates (FY2024 Forecast)



(Average exchange rate)

Location	Currency	FY2023 Results	FY2024 Forecast	Change
U.S.	USD	¥135.48	¥130.00	△4.0%
Mexico	MXN	¥6.90	¥7.13	3.3%
Thailand	THB	¥3.85	¥3.80	△1.3%
Indonesia	IDR	¥0.0090	¥0.0086	△4.4%
India	INR	¥1.69	¥1.58	△6.5%
China	CNY	¥19.75	¥18.90	△4.3%
Brazil	BRL	¥26.31	¥25.30	△3.8%
Taiwan	TWD	¥4.46	¥4.34	△2.7%
Philippines	PHP	¥2.45	¥2.37	△3.3%
Vietnam	VND	¥0.00573	¥0.00554	△3.3%

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