



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

F.C.C. CO., LTD.  
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Prime, Tokyo Stock Exchange  
<https://www.fcc-net.co.jp>

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



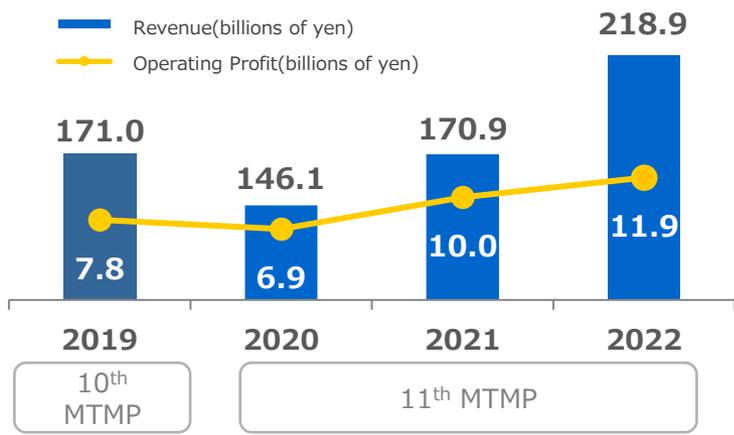
## Evolution of Clutch Business + Launched the action toward VISION2035



Preparations for New Businesses  
Fostering changes in corporate culture



### 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 (F.C.C.)

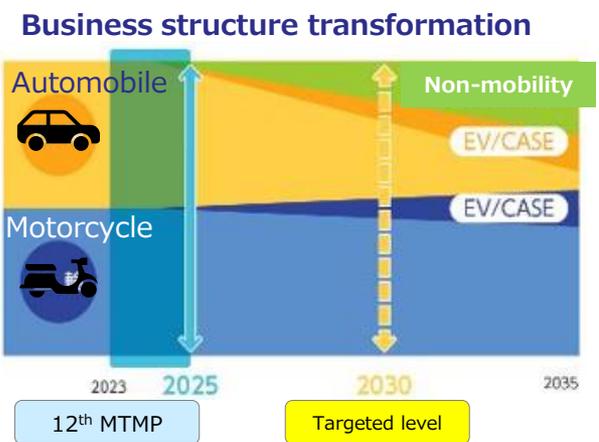
Strive to transform our company and businesses with a focus on the year 2030, aiming to achieve the second founding



- 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**



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

	Motorcycle business	Automobile business	Non-mobility business
Clutch business	fortify the business Expand profitability by evolving competitiveness	shift in nature of business Improve profitability to achieve resilient structures	Build a foundation for business diversification
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

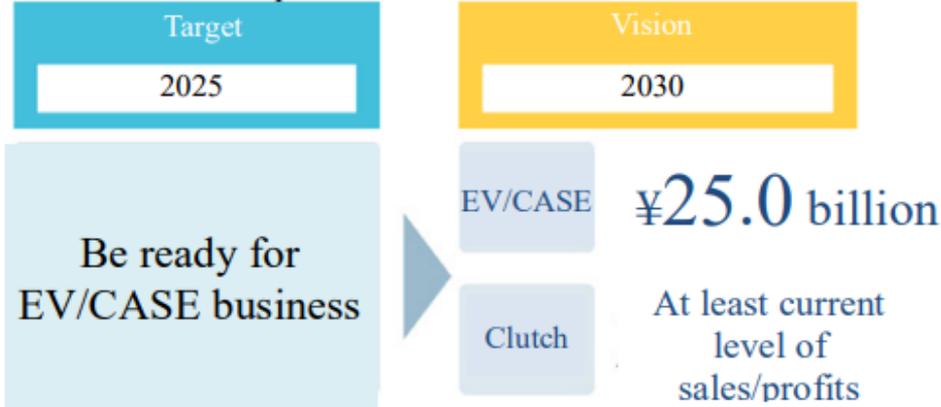


## ⚙️ Business strategy (motorcycle business)

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**
  - ⊙ Accelerate development of CASE business
  - ⊙ Commercialize power unit for small EVs
- Existing businesses (clutch area)**
  - ⊙ Maximize profitability by expanding the business zone through moderate to high value-added technology and manufacturing competitiveness



### 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

## ⚙️ 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



### 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

### New Businesses (non-mobility area)

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



**Proactive collaboration and alliances**

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.

#### ◆ 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



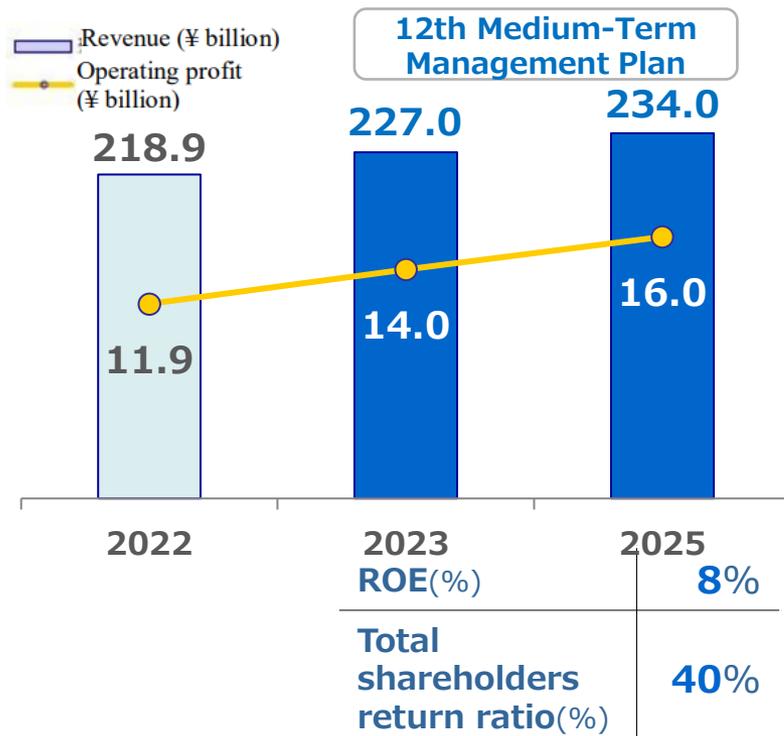
## Financial strategy and targets

Maintain sound financial health

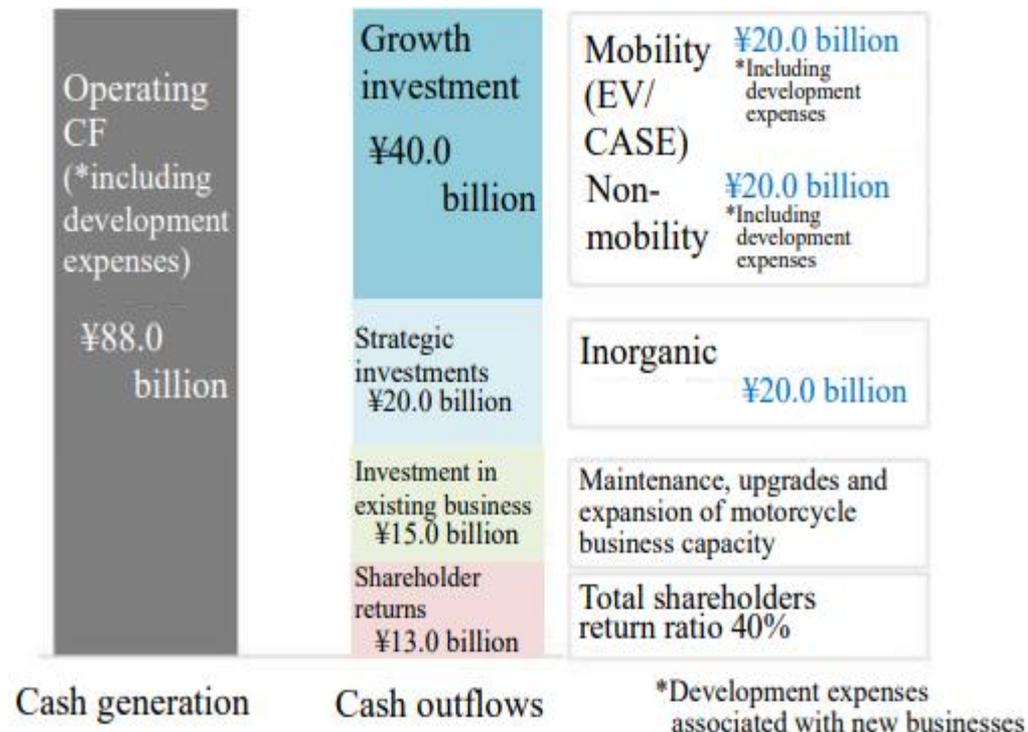
Cash generated by Clutch business to be allocated to growth investments as a priority

Total shareholders return ratio 40%

### Key performance indicators

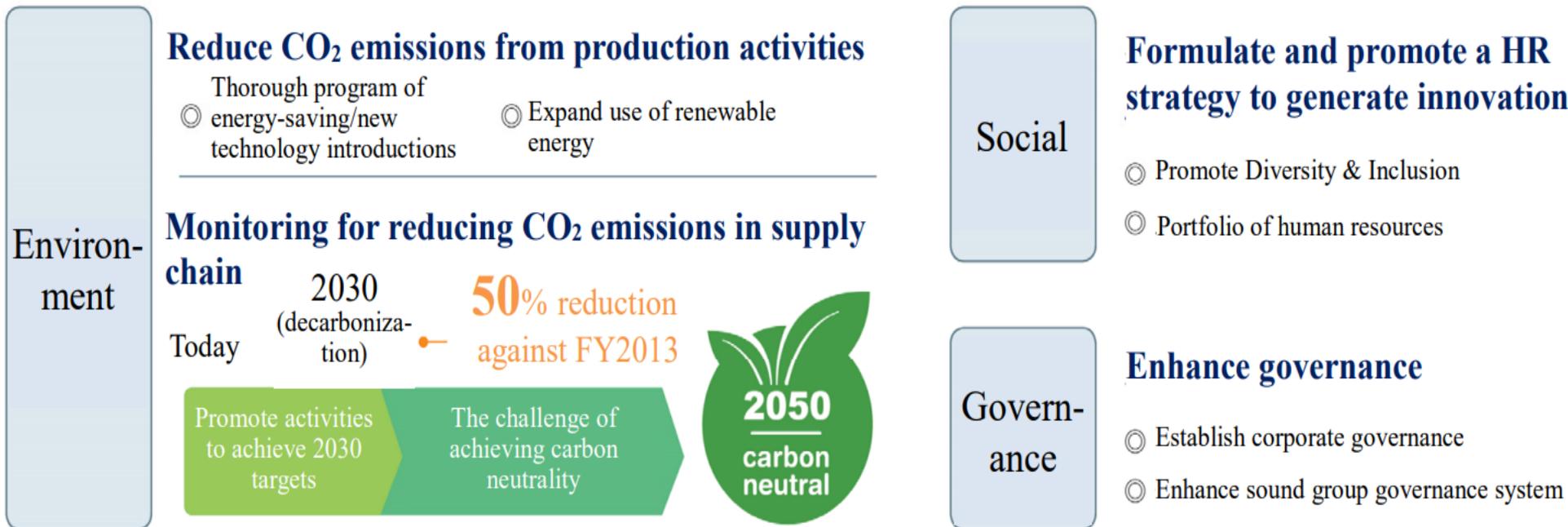


### Cash allocation (total for three years)



## 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:

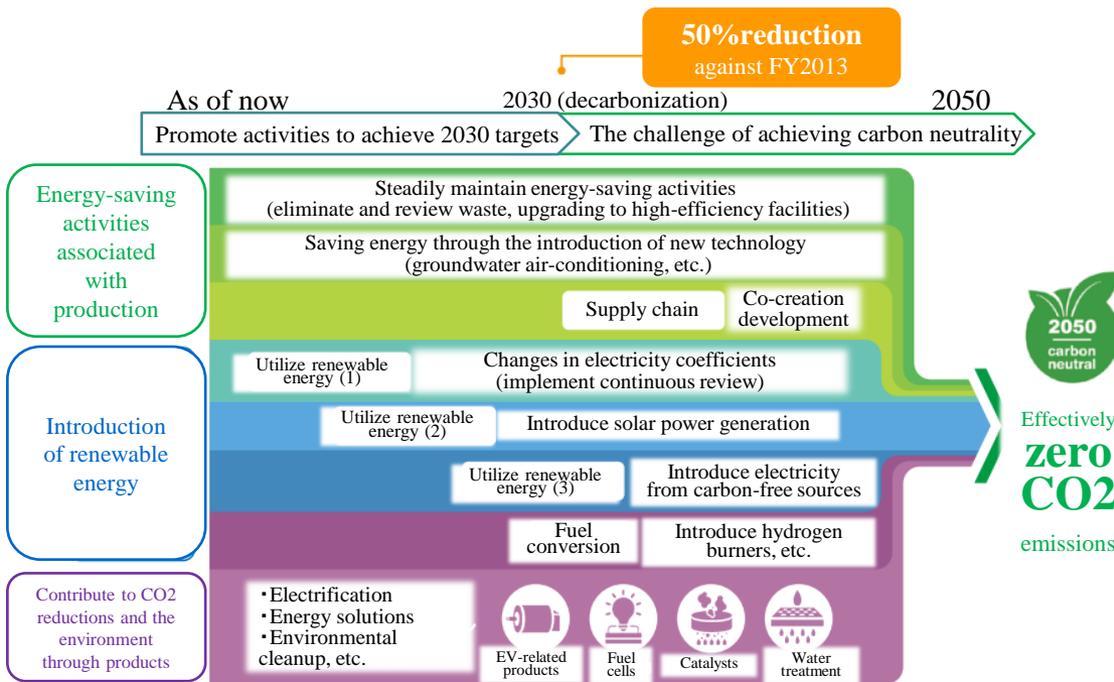


# Sustainability Initiatives

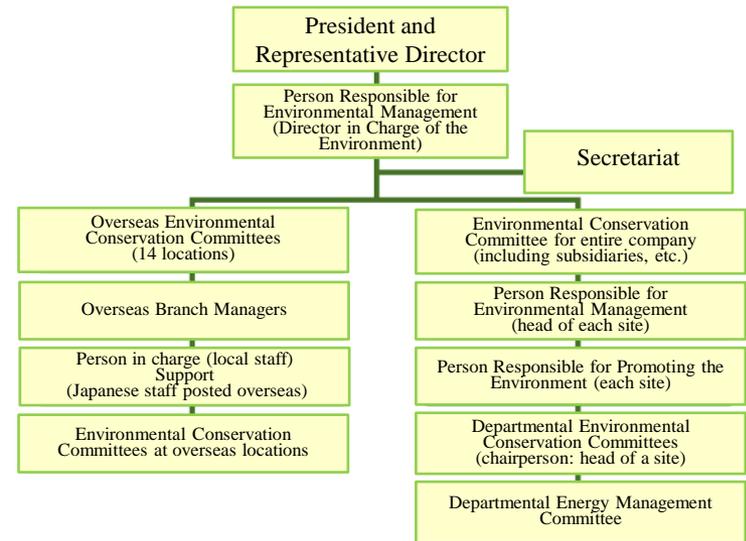
## Environment: preparing to achieve carbon neutrality in 2050

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

