13th Medium-term Management Plan

From FY2027 to FY2031

May 13, 2026

F.C.C. CO., LTD.

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1. Summary of the 12th Medium-term Management Plan

1-1 Summary of the 12th Medium-term Management Plan (Evaluation of Qualitative Aspects)

- ☐ **Strengthening the business foundation is progressing as planned**
- ☐ **Business portfolio transformation involves partially moving into the mass production preparation phase while continuing with the preparation phase**

Companywide Strategy	Category	Main Progress and Initiatives	Rating
Strengthening the business foundation	Motorcycle business (Core clutch)	- Expanded share in India 69% (FY2024) → 73% (FY2026) - From small to large size + high added value + aftermarket expansion → achieved record high profits	○
	Automobile business (Core clutch)	- Strengthened ability to respond to ICE, HEV, and BEV trends in North America, our main battleground FCC secures approximately 30% of the North American automobile clutch market share (FY2026)*According to in-house research - The trend towards HEVs and a decrease in equipment depreciation expenses contributed to record high profits	○
	Sustainability ESG	- Introduction of 100% CO_2-free electricity (Japan, Philippines, Brazil) - Introduced restricted stock incentive program for employee stock ownership association (within Japan)	○
Business portfolio transformation	Motorcycle business (EV/CASE)	- Started mass production of proprietary e-Axle for Vietnamese electric motorcycle manufacturer DAT BIKE - India and Indonesia: Started mass production of laminated motor cores	○
	Automobile business (EV/CASE)	- China: Started mass production of laminated motor cores - U.S.: Received order for aluminum cases for Advanced Driver-Assistance Systems (ADAS) in BEV vehicles	○
	Non-mobility business	- Started mass production of ceramic setters, completed preparations for production of conductive additives for LiBs - Made downward revision to sales target of ¥3 billion for FY2026 due to delays in commercialization	△

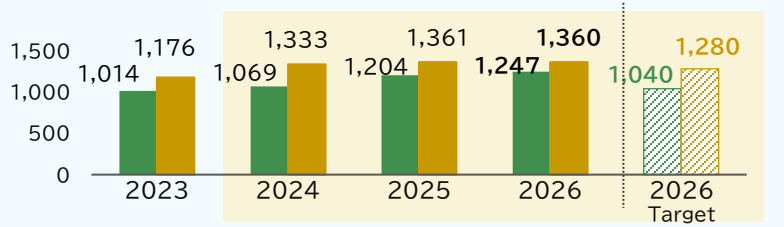
1-2 Summary of the 12th Medium-term Management Plan (Evaluation of Quantitative Aspects)

- ☐ **In the final year of the 12th Medium-Term Management Plan, the financial targets were achieved**
- ☐ **Overall, the improvement in cash generation capacity of core businesses has strengthened the management foundation**

On the graphs, indicates the 12th Medium-term Management Plan

Revenue

(Unit: ¥100 million)

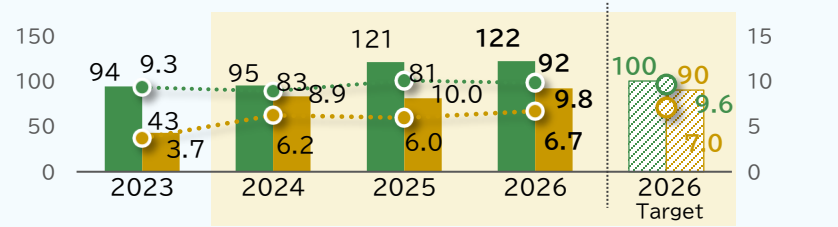


Motor-cycle Clutches, the core business, is growing by capturing the rapidly growing Indian market

Auto-mobile While business in China is struggling, business in the U.S. is performing steadily thanks to our flexible response to the HEV trend and the effects of the weaker yen

Operating profit / Profit margin

(Left/Unit: ¥100 million) (Right/Unit: %)

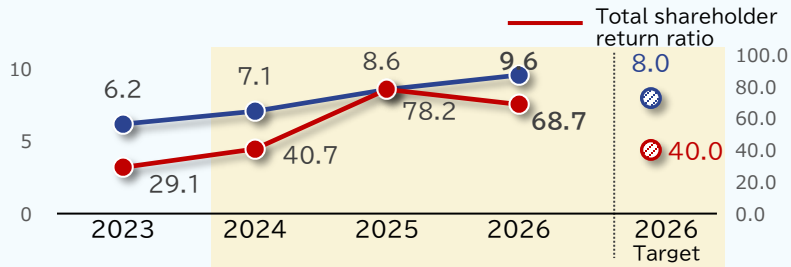


Motor-cycle In addition to sales growth, profitability has improved due to the introduction of high-value-added products and the expansion of aftermarket parts

Auto-mobile Capital investments in North America are entering the payback phase, but operating profit margins remain low due to the impact of product warranty costs from previous years

ROE / Total shareholders return ratio

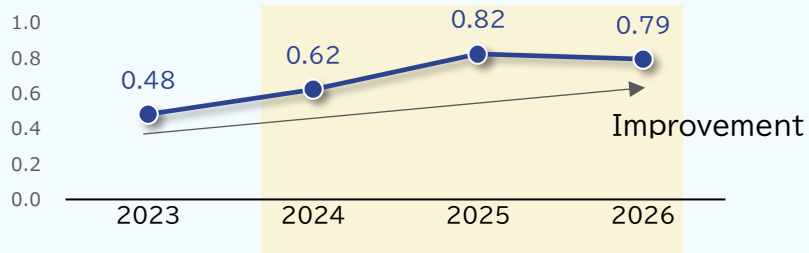
(Left/Unit: %) (Right/Unit: %)



The increase in development expenses for growth investments is offset by enhanced profitability in core businesses, while we are promoting management with a strong focus on capital costs and share price, and strengthening shareholder returns.

PBR (Price-to-Book Ratio)

(Units: multiple)

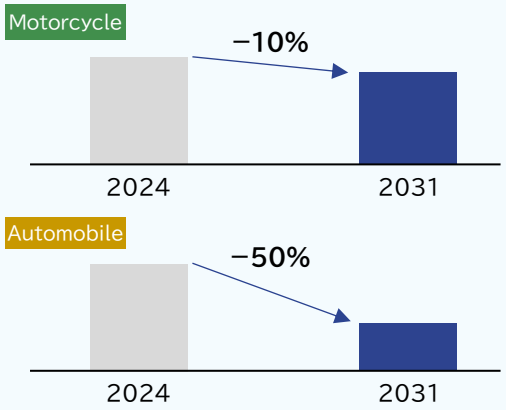


The PBR has improved from 0.48 in FY2023. To achieve PBR above 1.0, we will further enhance our IR activities, including disseminating performance forecasts and information on our medium-term management plan

1-3 Changes in the External Environment, Current Situation, and Our Response

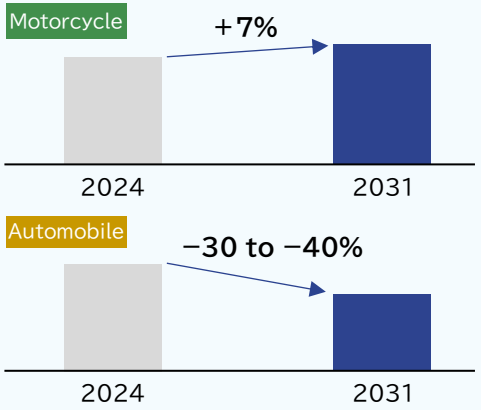
- ☐ **The Clutch business environment is changing rapidly due to the external environment (sales assumptions have changed significantly since the formulation of the 12th Medium-Term Management Plan)**
- ☐ **In such an environment, we respond flexibly**
  Motorcycles business: Capturing growth in the Indian market,
  Automobile business: Increasing demand for ICE and HEV in North America

When formulating the 12th Medium-term Management Plan (2023)



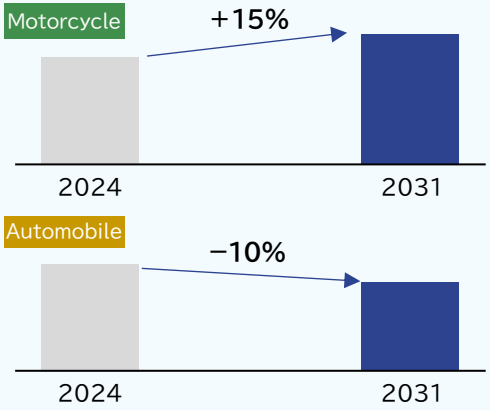
- Motorcycle business 10% reduction
- Automobile business 50% reduction
- An overall decrease of 30% is anticipated

12th Medium-term Management Plan progress update (2024)



- Motorcycle business expanding
- Automobile business decline narrowing

When formulating the 13th Medium-term Management Plan (2026)



- Motorcycle business further expanding
- Automobile business decline further narrowing

Issues in the 13th Medium-term Management Plan from the 12th Medium-term Management Plan

- Responsiveness of development and production linked to market trends
- Adaptability to changes in global affairs and geopolitical risk

□ Identifying the Remaining Issues for Realizing VISION 2035

(- Responsiveness of development and production to market trends - Ability to adapt to changes in global affairs and geopolitical risks)

Companywide Strategy	Category	Remaining Issues
Strengthening the business foundation	Motorcycle business (Core clutch)	- Further business expansion in growth markets in the global South, and cultivating potential markets - Improving product value through expanded sales of aftermarket parts and integration into related fields
	Automobile business (Core clutch)	- Strengthening the revenue base with a view to the 14th Medium-term Management Plan (from fiscal year 2032 onwards) and shifting resources to EV/CASE (strengthening capabilities for ICE/HEV/BEV) - Research and preparation for business opportunities in the Indian automobile market, where there are core clutch needs
	Sustainability ESG	- Strengthening the development of management personnel to lead in global markets - Strengthening response to supply chain procurement risks
Business portfolio transformation	Motorcycle business (EV/CASE)	- Expanding business starting in India and Vietnam - Proactive use of M&A and alliances
	Automobile business (EV/CASE)	- Laminated motor core business expansion - Business expansion utilizing core technologies in thermal management products, aluminum, press forming, and joining dissimilar materials
	Non-mobility business	- Establishment of an environmental energy business based on paper and function materials, sowing the seeds for growth areas, and making decisions on commercialization

2. 13th Medium-term Management Plan

(FY2026 to FY2030)

Vision of the FCC Group

VISION 2035

Becoming a company that continuously creates value that society demands

Business initiatives aimed at achieving the desired vision

Mobility business

Realizing clean and safe mobility

- Development of products that support electrification and fuel efficiency by utilizing our core technologies
- Providing products to the whole world by utilizing our global network

Environmental energy business

Towards a more livable and prosperous society

- Contributing to solving society's issues in fields beyond mobility

＊The name of the "Non-mobility business" in the 12th Medium-term Management Plan will be changed starting from the 13th Medium-term Management Plan

2-2 Our Core Competence and Expansion of Business Areas

The company's unique strengths

Materials (chemicals)

Papermaking technology
The optimal mix of functional materials and the ability to mix them uniformly

Friction materials

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Shaping (mechatronics)

Functional modularization technology
Creating modules that best satisfy the needs

Clutch modules

Providing new added value to customers

- Solving society's problems utilizing the environmental energy business

Mobility business

Core (clutch)

Motorcycle

- Motorcycle
- Scooters
- Business

A&S automatic starting clutches

Racing clutches

Automobile

- Manual
- Automatic Transmission
- CVT
- HEV (Hybrid)

Clutches for Ford/GM FR 10-speed transmissions

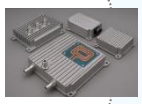
Clutches for lock-up

EV/CASE

e-Axles for electric motorcycles

Laminated motor cores for electric motorcycles

Automobile Motor cores

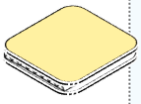
Aluminum paste for ADAS 

Environmental energy business

Reactive solution field

CO2 adsorption products
Humidity control modules

Functional sheets field

Semiconductor chip firing jig
Heat-insulating and flame-retardant sheets 

Nano-materials Application fields

CNT conduction enhancers/thermal conductive paste

2-3 13th Medium-term Management Plan Positioning

- ☐ The 13th Medium-term Management Plan has been formulated as a five-year plan looking ahead to 2030
- ☐ In our core business, we aim to maintain current sales levels and stabilize our revenue base
- ☐ We will actively utilize development and strategic investments in new businesses to realize our 2035 vision

A Second Founding

12th Medium-term Management Plan
2024 2025 2026

Towards a new FCC

Positioning
Reinforcing business foundation and Business portfolio transformation

13th Medium-term Management Plan
2027 2028 2029 2030 2031

Creating New Value for the Future

Positioning
Solving society's problems through business by expanding the evolving mobility-related business

14th Medium-term Management Plan
2032 2033 2034 2035 2036

Generating profit in new business areas

Positioning
Creating new businesses in addition to our core businesses
Expansion of the M&A strategy

VISION 2035
Becoming a company that continuously creates value that society demands

Reasons for the Changes to the 5-year Plan

- **In the automotive industry, where uncertainty is high due to technological innovation, etc., there is a need to develop growth strategies from a longer-term perspective**
- **Cultivating new businesses requires initiatives based on a consistent plan, and we need to allocate five years for that purpose**

Creating New Value for the Future

(1) Creation of high value-added products and expansion of our market through our global network
(2) Utilizing strategic capital, including M&A, to accelerate corporate growth
(3) Using digital technology to improve the quality of operations and organization, and to achieve evolution of business value
(4) Developing human resources to drive continuous growth and strengthening organizational capabilities

2-4 13th Medium-term Management Plan Basic Policy and Key Strategies

□ **To solidify the foundation supporting growth through manufacturing and to achieve solutions to society's problems, we have formulated four key strategies, promoting our business plan**

Basic Policy

1. Creation of high-added-value products
2. Active use of strategic investments
3. Business transformation using digital technology
4. Strengthening human resource development and organizational capabilities

Key Strategies

I. Business strategy

Deepening core businesses
Creating new pillars of business

- Strengthening stable growth and profitability in existing businesses
- Cultivation of new markets/creation of new businesses

II. Strengthening the management foundation

Supporting company growth
Constructing an unshakeable management foundation

- Establishment of the development foundation for the future
- Developing the business foundation: "Evolving manufacturing capabilities"
- Improving human resource capabilities that support continuous growth

III. Financial and capital strategy

Improvement of growth investment and capital efficiency for continuous improvement of corporate value

- Improvement of ROE and PBR
- Implementing priority strategic and growth investment
- Implementing shareholder returns in balance with growth investments

IV. Sustainability Strategy

Promotion of ESG management (E: Environment, S: Social, G: Governance)

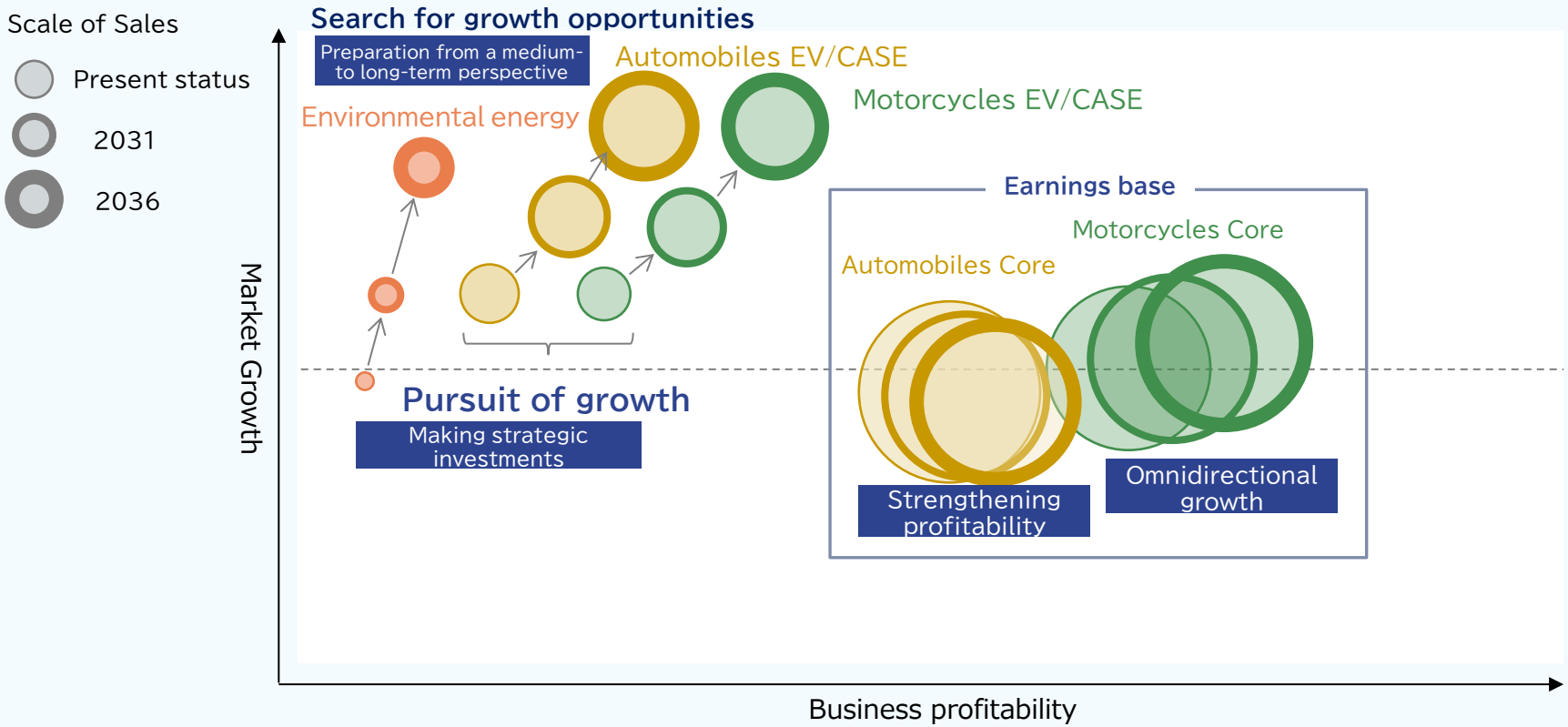
□ Clarifying the Positioning of Each Business and Promoting the Optimal Strategy

Motorcycles Core ····· Utilizing our potential to the maximum. Growth across all regions and fields

Automobiles Core ····· In preparation for structural changes in 2031 and beyond, we will strengthen our profitability and become a cash cow

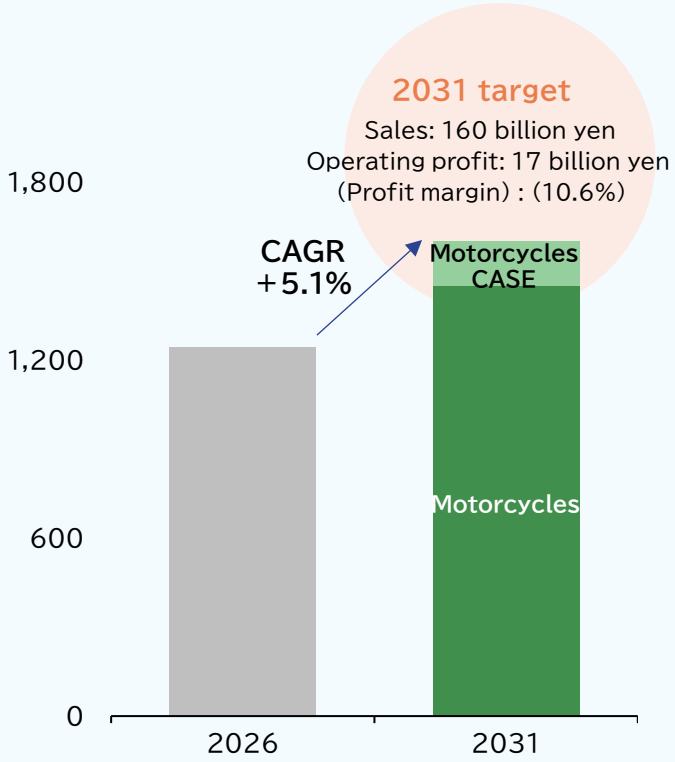
Motorcycles, automobiles EV/CASE We will pursue growth through core business resources and making strategic investments

Environmental energy ····· Environmental energy business based on "paper and functional materials," and preparation for developing products/solutions that contribute to solving society' s issues from the medium- to long-term perspective



□ By providing comprehensive support for the global market, we aim to secure a dominant market share in our core businesses, strengthen our profitability, and build a robust business foundation capable of adapting to the next electrification transformation

Trend in motorcycle business sales (¥100 million)



Motorcycles CASE

- Further expansion of electric vehicle business focused on India and ASEAN
- Commercialization of connected services
- Development of differentiated technologies for rare-earth-free products

Motorcycles Core

- Strengthening R&D at our Indian base, and expanding business opportunities through rapid response to customers
- Making effective use of Indian supply chains to enhance cost competitiveness
- Clutch sales that match the needs of potential markets (Africa, Central and South America, etc.)
- Increased production efficiency using automation and digital transformation → Improving cost competitiveness
- Developing fuel-efficient technologies and high-value-added products that meet market needs

13th Medium-term Management Plan Strategy for Each Business (Motorcycle Business: Indian Strategy)

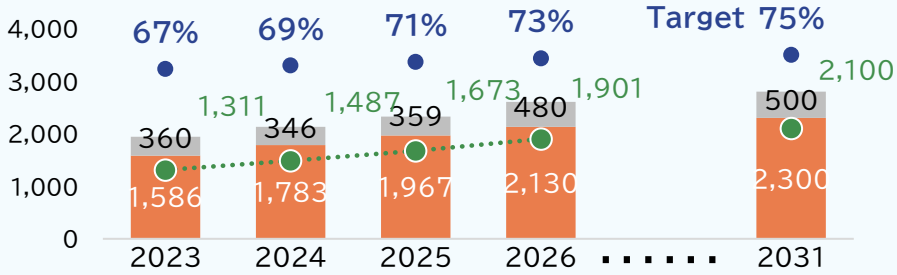
India Strategy

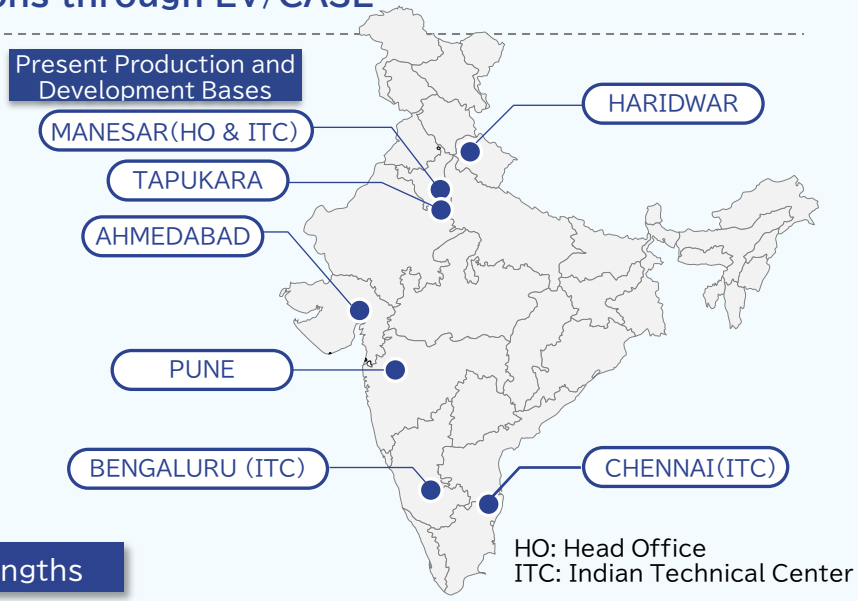
☐ **In the short term, we aim to generate stable cash flow from our core businesses and strengthen our competitiveness through localization of production and development.**
In the long term, we aim to expand our growth options through EV/CASE

Motorcycles ICE Number of vehicles produced in India

(Units: 10,000 units)

＊Research by the Company





Opportunities

In the Indian clutch market, our share exceeds **70%**
We aim to further increase our market share while responding to market expansion

Strengths

7 production bases **3** ITC (sales, procurement, development) system
By having multiple production bases within India, we have established a production system that is flexible to fluctuations in demand

Opportunities in the Indian market ✕ Our strengths

Motorcycles ICE Number of vehicles produced in India
2026: Approximately 26 million ➡ 2031: Approximately 28 million+
(CAGR 1.5% to 3%)

Leveraging the high market share and multiple production bases in India as competitive advantages, the company will secure stable profits from ICE (Internal Combustion Engine) products and gradually expand the next growth phase into electrification and related markets, promoting a growth strategy that balances offense and defense

13th Medium-term Management Plan Strategy for Each Business (Motorcycle Business: Regional Strategy <ASEAN + Brazil>)

Strategy for Each Region

- ☐ **Maintaining sales in core businesses (maintaining market share through fuel-efficient technology development)**
- ☐ **Expanding sales and stabilizing mass production in EV/CASE-related businesses**
- ☐ **Promoting automation and strengthening the development of national talent in each country to lead next-generation management**

Market Trends and Our Initiatives

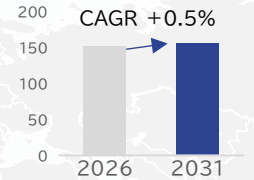
*Market trends are based on the company's research (Unit of market volume estimate in graphs: 10,000 units)

Thailand

[ICE] Virtually flat
➡ Develop low fuel consumption technologies to increase market share

[EV/CASE] Low growth rate, but a gradual upward trend
➡ Explore EV/CASE-related products

Market Volume Estimate

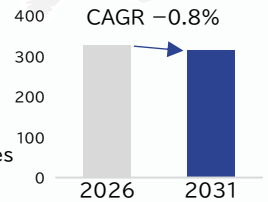


Vietnam

[ICE] Forecast to be about 30% reduction in 2031 from 2026
➡ Automated production lines, in-house mold making, etc.
Initiatives to secure profits

[EV/CASE] Forecast to be 1.5 million vehicles in 2031
➡ Consider installation of motor assembly lines
Expand sales and production of EV/CASE-related parts

Market Volume Estimate

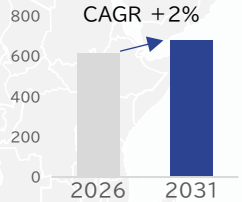


Indonesia

[ICE] Maintaining a steady trend
➡ Further improve profitability by aligning with market trends

[EV/CASE]
Increasing towards 2031 as subsidies are expected to be revived
➡ Increased motor core profitability, expanded e-Axle sales

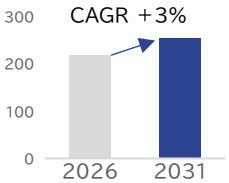
Market Volume Estimate



Philippines

[ICE] Continued expansion
➡ Expand sales of clutch products to target the growing market

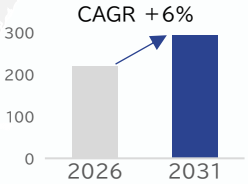
Market Volume Estimate



Brazil

[ICE] Continued expansion
➡ Expand sales of clutch products to target the growing market

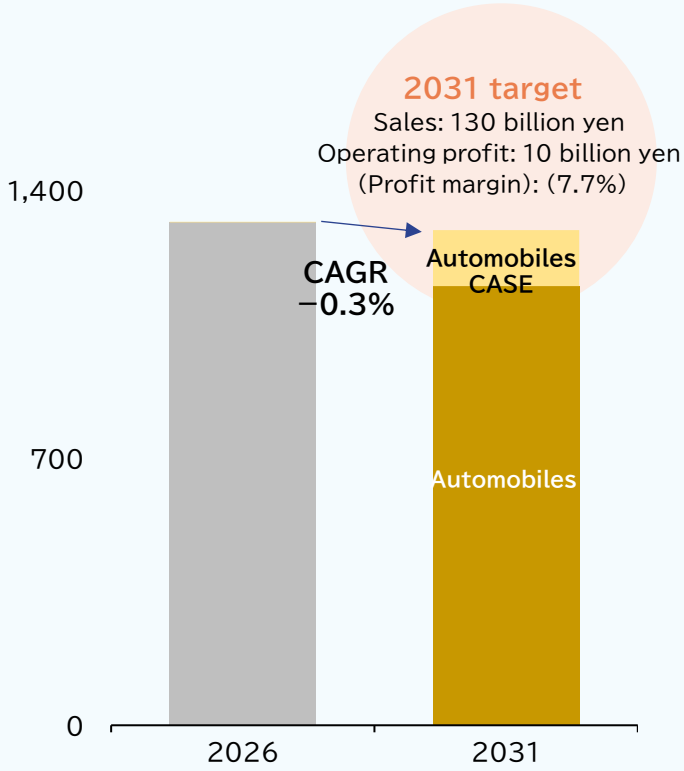
Market Volume Estimate



13th Medium-term Management Plan Strategy for Each Business (Automobile Business)

- ☐ **For core businesses, we will establish a flexible production system that responds to demand fluctuations, and maintains profitability**
- ☐ **We will accelerate the commercialization of EV/CASE-related businesses and drive business transformation**

Trend in automobile business sales (¥100 million)



Automobiles CASE

- Expansion of motor core products
- Business expansion utilizing core technologies in thermal management products, aluminum, press forming, and joining dissimilar materials

Automobiles Core

- Constructing a flexible production system that responds to fluctuations in demand
- Reduce country risk through supply chain restructuring
- Resources will be prioritized for areas with strong demand, based on the growth of the HEV/PHEV market
- Expanding the range of vehicle models available to local customers

2-10 13th Medium-term Management Plan Strategy for Each Business (Automobile Business: North America strategy)

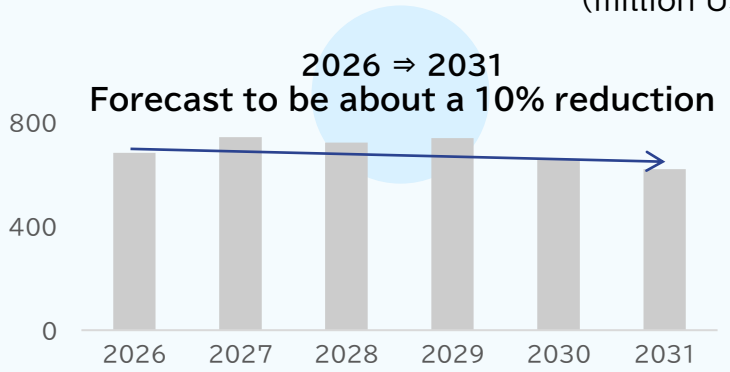
North America Strategy

- ☐ **No major reduction in production is expected until the end of the 13th Medium-term Management Plan, so we will continue to maintain our profit-generating structure**
- ☐ **We will accelerate the creation and development of new businesses towards the 14th Medium-Term Management Plan**

Strengths of the company's North American business

- A local procurement and local production system is established
  ➡ We can effectively address tariff policies and avoid geopolitical risks
- Strong customer base through direct business with the U.S. Big Three
  ➡ We avoided a significant drop in sales through the continued adoption of our ICE/HEV clutch
- Existing production capacity capable of responding to the HEV reversion phase
  ➡ Reduce fixed costs and improve profitability through the use of existing production facilities

North American Automobiles Clutch Sales Trend Forecast (million USD)



Maintaining profitability even in a highly uncertain environment Short-term perspective

Establishment of a flexible production system for increasing EV production
Reduction of fixed costs through the effective use of existing equipment and labor-saving measures
The North American business is positioned as a core base that reliably generates revenue

We aim to transform our business structure towards the EV/CASE field, building upon the profitability of our core business Long-term perspective

Expansion from the laminated motor core to the sub-module business
Across the board utilization of existing core technologies in thermal management products, aluminum, press forming, and joining dissimilar materials

13th Medium-term Management Plan Strategy for Each Business (Automobile Business: India Strategy)

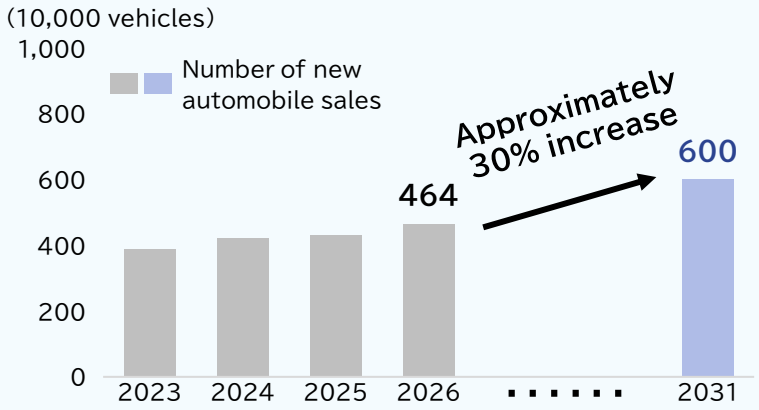
India Strategy

□ We aim to expand into the automobile market utilizing the production system, human resources, and supply chain cultivated in our core motorcycle business

Opportunities in the Indian market

India: Forecast of Trend in New Automobile Sales

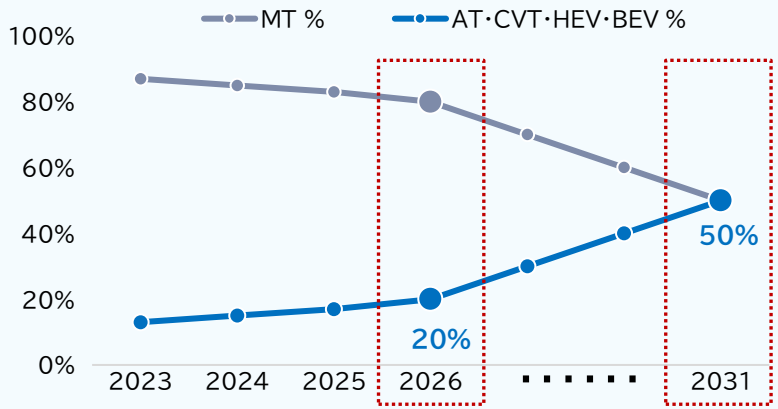
＊Research by the Company



Tailwind for the automobile market with the increase in GDP

Forecast of new automobile sales by transmission type

＊Research by the Company



Structural shift in transmission systems: From MT → AT, CVT, HEV, BEV

Percentage of AT, CVT, HEV, and BEV vehicles in new car sales

2026: 20% ➡ 2031: 50%

Overview of India Strategy

Utilization of development and manufacturing technologies cultivated in automobile AT

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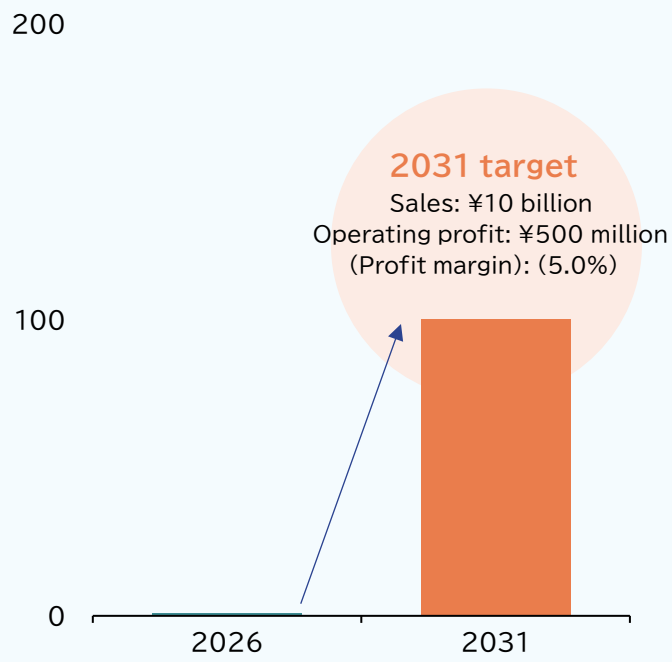
Utilization of our motorcycle production infrastructure in India

We will determine the market needs, accelerate localization, and expand our automobile business in India

2-12 13th Medium-term Management Plan Strategy for Each Business: Environmental Energy Business (Non-mobility Field)

- ☐ **Utilizing our core technologies, we are accelerating product development that contributes to solving social challenges (decarbonization and energy creation)**
- ☐ **Expand product development and sales channels, including through collaborations, and drive portfolio transformation**

Sales Trends in the Environmental Energy Business
(¥100 million)



Environmental Energy (Non-mobility Field)

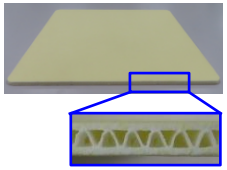
- We aim to expand business by focusing on technologies related to paper and functional materials, the core FCC technologies
- We will sow the seeds for creating businesses in new growth areas, promoting this by rotating themes in response to changes in the environment

Reactive solution field

- Commercialization of humidity control modules targeting the growing market focused on response to the environment
- Evolution of CO2 adsorption technology

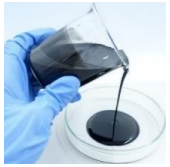
Functional sheets field

- Expanding sales of ceramic setters targeting growth markets such as IT and high-speed communication equipment
- Development and commercialization of thermal products such as heat-insulating and flame-retardant sheets



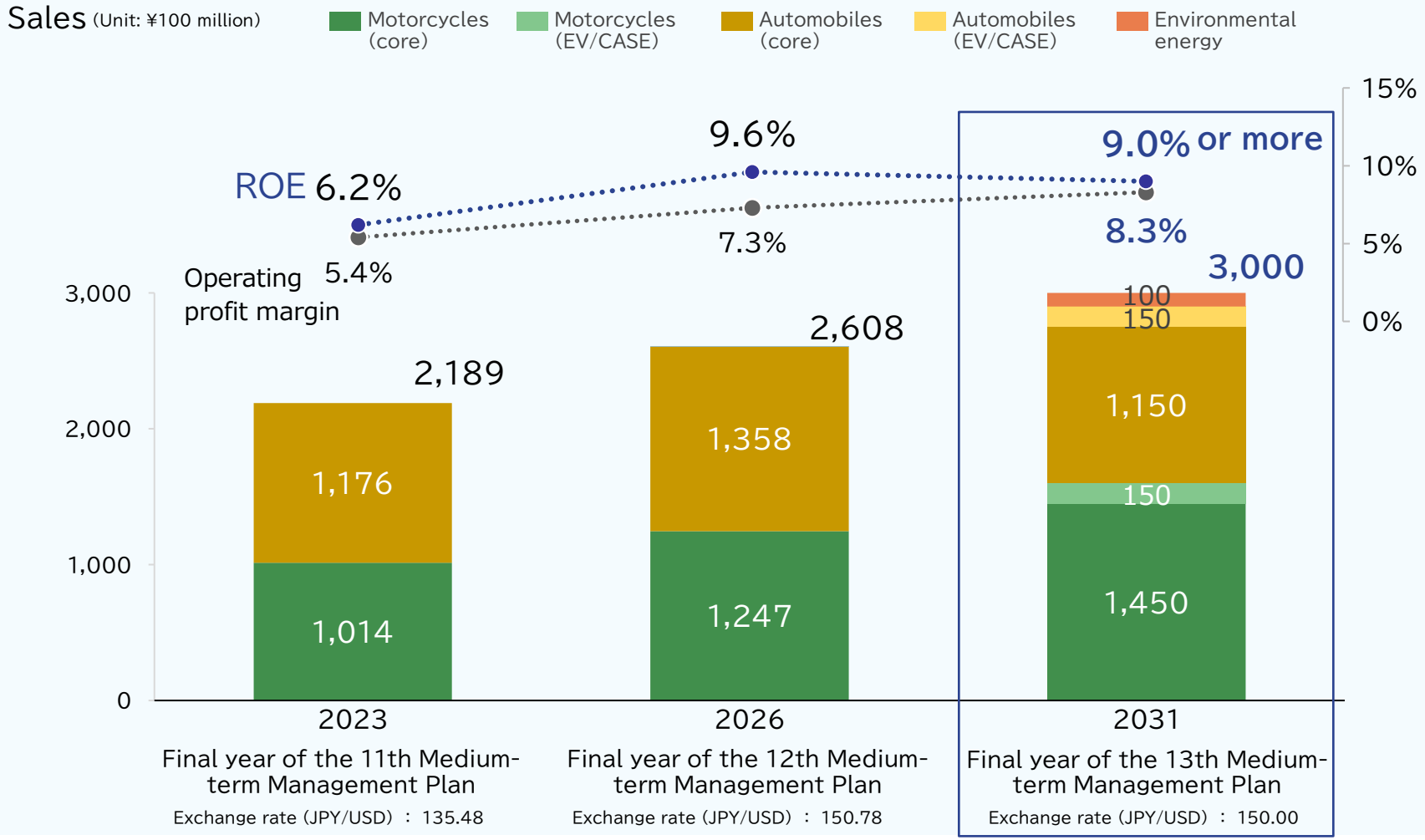
Nano-materials application fields

- Achieving mass production and expanding sales of CNT-related products targeting growth markets such as batteries and power semiconductors
- Development and commercialization of shaping technology for thermal management components



2-13 13th Medium-term Management Plan Setting Financial Targets

□ **To achieve continuous growth, we will strategically utilize the funds generated under the 13th Medium-term Management Plan, and set a financial target ROE of 9.0% or higher for FY2031 (the final year of the 13th Medium-term Management Plan)**



13th Medium-term Management Plan Overview of Strengthening the Management Foundation

□ We categorize the construction of a management foundation to support future corporate growth into three main areas, and promote business accordingly

Constructing a management foundation that supports corporate growth

1 Establishing the development infrastructure

Strengthening basic research capabilities and component development for the future

- From exploring growth markets to creating new businesses by combining cutting-edge technologies
- Strengthening intellectual property strategy

2 Establishing the business infrastructure

We will further evolve our core "manufacturing technology" to achieve stable Quality, Cost, and Delivery (QCD), and further improve profitability

- Elimination of major quality defects
- Improvement of production configuration
- Supply chain and procurement risk management
- Utilizing digital technology and strengthening information risk management

3 Enhancing talent capabilities

Improving human resource capabilities that support continuous growth

- Employee development and upskilling
- Improvement of engagement

2-15 13th Medium-term Management Plan Strengthening the Management Foundation (Dealing with Supply Chain Risk)

☐ Transform the supply chain function from a purchasing function to a function that creates a competitive advantage and protects supply
We aim to build an uninterrupted supply chain that achieves both global optimization and stable supply

Changes in the situation regarding supply chain risk management

Expansion of supply chain risk scope and depth

- Geopolitical risk
- Country-specific regulations
- Business partner withdrawal
- Raw material supply problems

Occurrence of incidents at our domestic and international locations, that cannot be dealt with by individual response

Business continuity risks are increasing

To achieve the goals of the 13th Medium-term Management Plan, **we will build a globally optimized system (a system that considers both competitiveness and risk)**

From April 1, 2026 the "Purchasing Department" will be reorganized into the "Supply Chain Procurement Department"
➡ Moving from individualized responses by region to overall optimization of procurement functions through DX initiatives

Before the change	After April 1, 2026	
Purchasing Dpt.	Supply Chain Procurement Dpt.	
Core business	Procurement Group	Implementing global procurement, optimizing pricing/terms, and continuously improving costs
EV business	Planning Group	Strengthening global supplier/component strategy and global regional/location procurement
Non-mobility business	Procurement DX, SCM*Group	Supply chain management (predictive detection/risk assessment), procurement DX platform development

*Procurement Digital Transformation and Supply Chain Management

13th Medium-term Management Plan Strengthening the Management Foundation (Human Resource Strategy)

□ Securing human resources to support continuous growth and continuous improvement of the workplace environment

Basic concepts for improving human resource capabilities to support continuous growth

- Clarify the human resource requirements needed in growth areas ➡ Implement planned and speedy recruitment, training, and deployment of personnel
- Continuous improvement of the workplace environment to enable everyone to work and thrive ➡ Improved engagement and employee retention

2031 Targets	Empowering diverse talent (human resource development framework, etc.)	Balancing work fulfillment and a comfortable work environment (design of HR systems, etc.)	Workplace safety, Hygiene and wellness (employee benefits, etc.)	Protection of human rights (human rights education, etc.)
Approach	Realizing a workplace environment that is easy to work in and rewarding for all employees, regardless of their individual characteristics		Elimination of major accidents by thoroughly preventing recurrence	Achieving zero major human rights infringements
KPI	Percentage of female managers (Japan): FY2026 Actual result 1.9%; FY2031 Target value 5.0% Employee engagement score (Japan): Improvement potential; 11 point improvement Paternity leave rate (Japan): 68%; 85%		Number of major accidents FY2031 target value 0 events	Human rights training participation rate FY2031 target value 100%

13th Medium-term Management Plan Financial Strategy (Measures to realize management that takes into consideration the cost of capital and stock price)

- ☐ **We aim to improve the profitability of our core (clutch) businesses and new businesses, thereby increasing ROE**
- ☐ **By enhancing financial and non-financial information disclosure, and proactively communicating our growth story, we can improve the P/E ratio**

Improvement of PBR

Improvement of ROE, target 9%+
Cost of shareholders' equity is around 7%*

* Our company's estimate based on the CAPM
(Cost of equity = Risk-free rate + Market risk premium × Beta (β))

Improvement of profitability

Operating profit margin
End of 12th Medium-term Management Plan: 7.3%
End of 13th Medium-term Management Plan: 8.3%

Implement measures for each segment

Shareholder returns

Stable and continuous dividends
(Target: The higher of 50% dividend payout ratio and 3.5% DOE)
Flexible share buybacks (Set at ¥25 billion over five years)

Improvement of PER

Improving expected growth (creating a sense of expectation)

Enhancing financial and non-financial disclosure

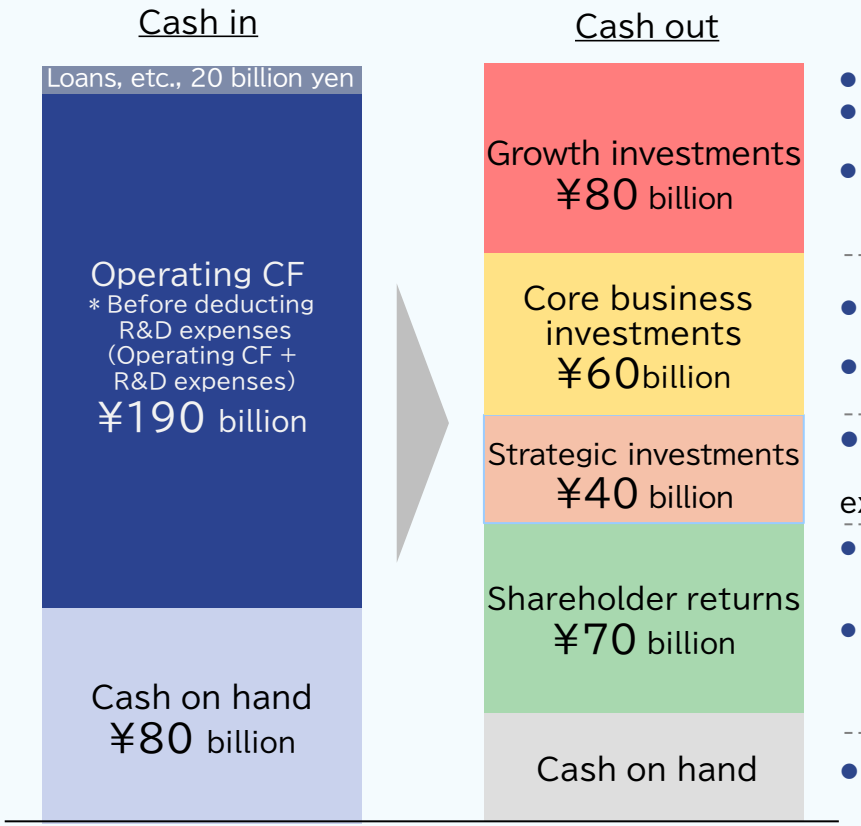
Active disclosure of our growth story (strengthening IR activities)

Streng-thening human capital to drive growth

Medium-term Management Plan, Integrated Report (to be published in October 2026)

13th Medium-term Management Plan Financial Strategy (Cash Allocation: 5-year Cumulative)

- ☐ **We aim to strengthen profitability and improve capital efficiency by prioritizing allocation of funds to growth investments while maintaining financial soundness**
- ☐ **The cash generated over the five-year period should be allocated appropriately to prevent an excessive cash position**



- Expansion of EV/CASE in the motorcycle and automobile fields
- Development of energy solutions and products utilizing core technologies
- Preparation for developing products/solutions that contribute to solving society's issues from the medium- to long-term perspective

- In light of the changing business environment, we will once again strengthen our investment in our core businesses
- In addition, we will also invest in the ESG field

- M&A
  (New business development, alliance creation / Scale: expansion of business domains)

- The company will still pay dividends at the higher of either a dividend payout ratio of 50% or a DOE of 3.5%, while prioritizing growth investments
- Share buybacks will be decided upon flexibly
  (When implementing the financial capital strategy, we take into consideration the balance between operating CF and growth/strategic investments, as well as stock price trends, etc.)

- Working capital + risk management costs

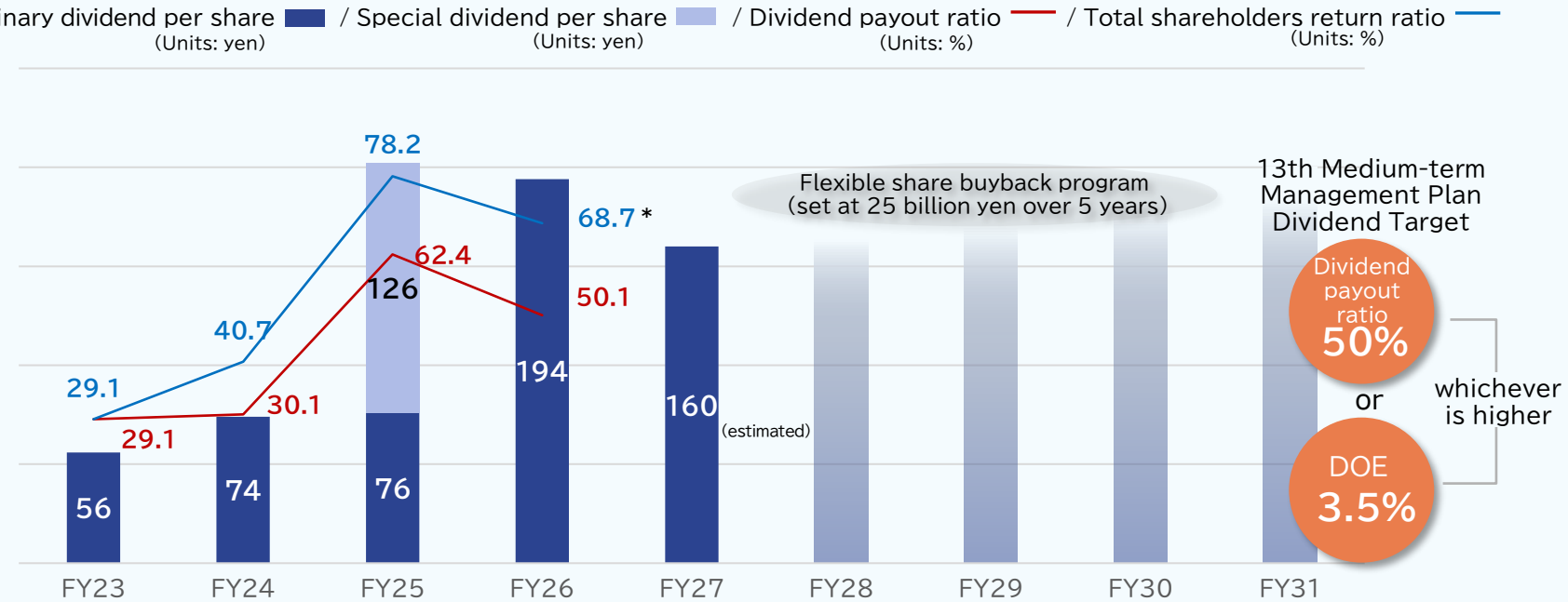
2-19 13th Medium-term Management Plan Target Shareholder Returns

Financial and Capital Policies to Maximize Corporate Value

☐ **We will maintain a balance between growth investments, investment returns, and shareholder returns**

Shareholder Returns Target

- Our top priority is maintaining long-term stable dividends, and we will pay dividends at whichever is higher: a dividend payout ratio of 50% or a DOE of 3.5%
- Also, share buybacks will be considered to be part of profit distribution, and decisions will be made flexibly as needed, taking into account business performance, funding needs, market environment including stock price, etc.



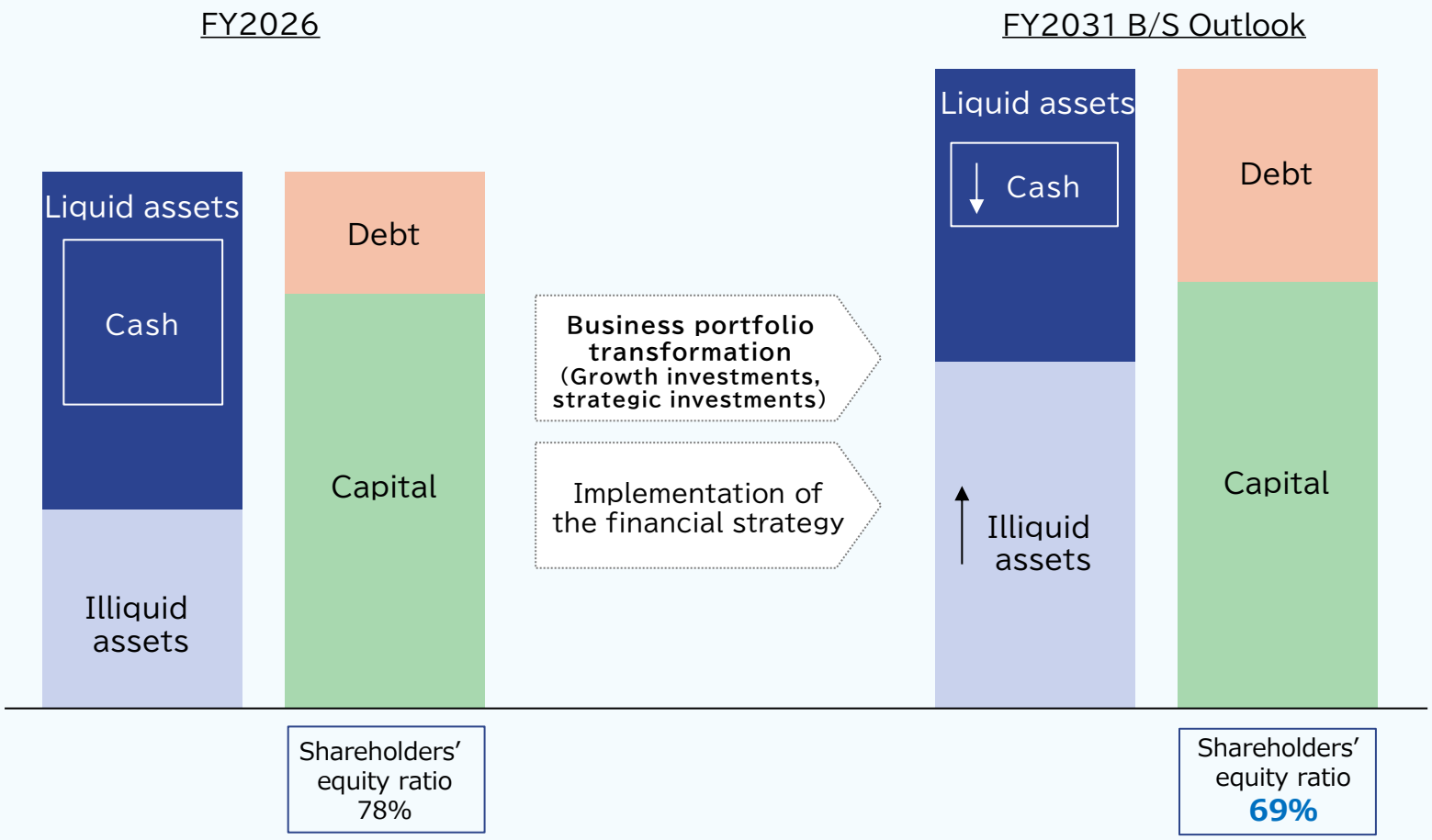
DOE	1.8%	2.1%	5.4%	3.8%

* Includes the planned acquisition amount through the tender offer bid for treasury stock announced on May 13, 2026

FY11th Medium-term Management Plan → 12th Medium-term Management Plan → **13th Medium-term Management Plan**

2-20 Overview of 13th Medium-term Management Plan Changes in B/S

□ Through a financial strategy focused on capital efficiency, the shareholders' equity ratio is estimated to reach 69% by fiscal year 2031



2-21 13th Medium-term Management Plan Dialog with Institutional Investors and Feedback

- ☐ **We appropriately communicate the status of progress of our business strategy, ESG strategy, and financial strategy**
- ☐ **We incorporate the feedback received from information sessions and other events into the management team's response, to further enhance corporate value**

Investor dialogue track record during the 12th Medium-term Management Plan period

(*Unless otherwise noted, the figures listed below are cumulative values over the three-year medium-term plan period)

We held financial results briefing sessions for institutional investors twice a year

Full year results (May), second quarter results (November)

Presented by the President & Representative Director

➡ Total of **260 organizations** participating

Holding small-scale meetings

Presented by the President & Representative Director, and the Director in charge of Business Management

➡ The event has been held **12 times**, with a total of **97 organizations** participating

Engaging in one on one meetings

The presenters were the President and Representative Director, the Director in charge of Business Management, and the Manager of the Corporate Planning Section of the Corporate Planning Department

➡ Number of interviews **total 181 times**

(FY2024: 57 times, FY2025: 62 times, FY2026: 62 times)

Holding briefing sessions for new institutional investors and individual investors

Briefing Session and Interview Content, and Investor Feedback

Key Discussion Topics

- The future stability of the cash generation capability of our core businesses
- Directions and specific details of the new businesses
- Allocation of the cash generated

Key Feedbacks

- Investors appreciate the disclosure of progress on cash allocation
- Investors expect the company to consider raising its payout ratio target and introducing DOE as part of its shareholder return policy
- Expectation to further highlight the potential of the ICE business
- At present there is no clear picture of the future revenue and profits for the new business
- Investors suggest strengthening the communication of medium- to long-term regional strategies, including India
- Expectation to optimize the equity ratio

Management feedback mechanism

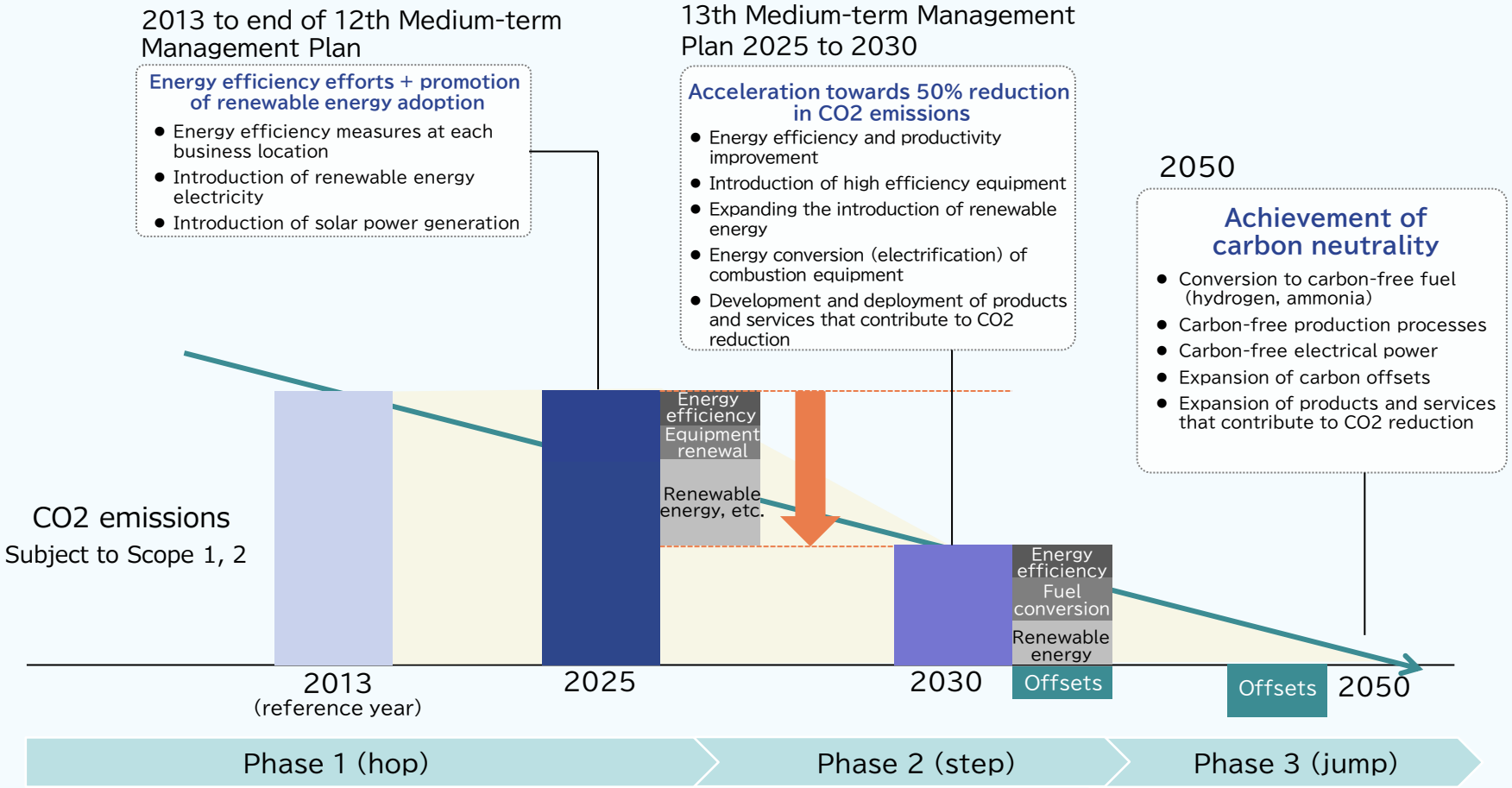
On a quarterly basis, the Board of Directors is briefed on the above matters, and discussions are held to enhance disclosure and to shape the content of the next medium-term management plan

□ We aim to create value in the mobility industry and new fields by identifying priority issues in ESG, and working towards their resolution

	Issues	Details of the Company's Initiatives
Environment E	✓ Realizing a decarbonized society ✓ Contributing to a recycling-based society ✓ Protection of the natural environment and biodiversity	• Achieving GHG emission reduction targets • Commercialization of circular economy-related products • Implementing environmental protection activities
Social S	✓ Empowering diverse talent ✓ Realizing a company where employees feel proud and fulfilled to work ✓ Protection of human rights	• Women's advancement (increasing the percentage of female managers) • Increasing the paternity leave rate • Advocating health promotion activities • Implementing human rights due diligence
Governance G	✓ Ensuring transparency and soundness in management ✓ Compliance with the laws and regulations of each country ✓ Strengthening dialog with stakeholders ✓ Strengthening risk management	• Strengthening oversight centered on external directors • Monitoring for serious legal violations and achieving zero reported cases • Strengthening dialog and providing feedback to management • Strengthening cybersecurity education

2-23 13th Medium-term Management Plan Sustainability (2)

- ☐ We will accelerate CO2 reduction activities towards carbon neutrality by 2050, especially at our overseas locations
- ☐ By developing products that contribute to CO2 reduction, we contribute to the realization of a circular economy



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The performance forecasts provided in this document have been produced based on information available at the time of the announcement of the FY2026 financial results, and are subject to risks and uncertainties. Please note that actual results may differ from plans and forecasts due to changes in the business environment, etc. Also, the purpose of this document is to provide information about our business activities, and it is not a solicitation to purchase our shares.

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