

FY2025 Financial Results Briefing

(April 1, 2024 through March 31 , 2025)

URL: <https://www.fcc-net.co.jp/en>

Stock Code :7296

Prime, Tokyo Stock Exchange

May 19, 2025



Consolidated Results Outline for FY25

Executive Summary Consolidated Results Outline for FY25

FY25 Results

(Fiscal year ended March 31, 2025)

(million yen)

	FY24	FY25	Change (%)
Revenue	240,283	256,619	6.8%
Operating profit	15,102	17,329	14.7%
Operating profit ratio	6.3%	6.8%	
Profit attributable to owners of parent	12,231	15,859	29.7%
Exchange rate (USD)	144.63	152.58	7.95

Key Points of FY25

- Exchange rate impact (Sales and profits increased even excluding the impact of exchange rates)
 - Revenue : +8 billion yen (Motorcycle business : +2.5 billion yen, Automobile business : +5.5 billion yen)
 - Operating profit : +1.2 billion yen
- Motorcycle clutch business: India leads the strong performance
- Automobile clutch business: Sales in China declined, however maintaining a profitable business structure, mainly in the U.S.
- Some new businesses (EV/CASE, Non-mobility) have moved into the mass production phase
- Additional product warranty costs
 - Automobile (U.S.) : Customer-initiated warranty period extension
 - Motorcycle (ASEAN) : New case arise
 →Product quality strengthened as a key management issue

FY26 Forecast

- We plan to disclose the impact of U.S. tariffs as soon as it becomes possible to make a reasonable calculation.
- ※This presentation material includes business perceptions excluding the tariff impacts

Shareholder returns results and forecasts

- FY25 Total shareholder return ratio 78%
 - Annual Dividend 202 yen (ordinary dividend of 76 yen, commemorative dividend of 126 yen)
 - Acquisition of treasury shares : 2.5 billion yen
- FY25 forecast : Target dividend payout ratio: 50%
 - Aim for a total shareholder return ratio of 70% or more

Progress of 12th Medium-term Management Plan (FY25)

From FY24 - FY26

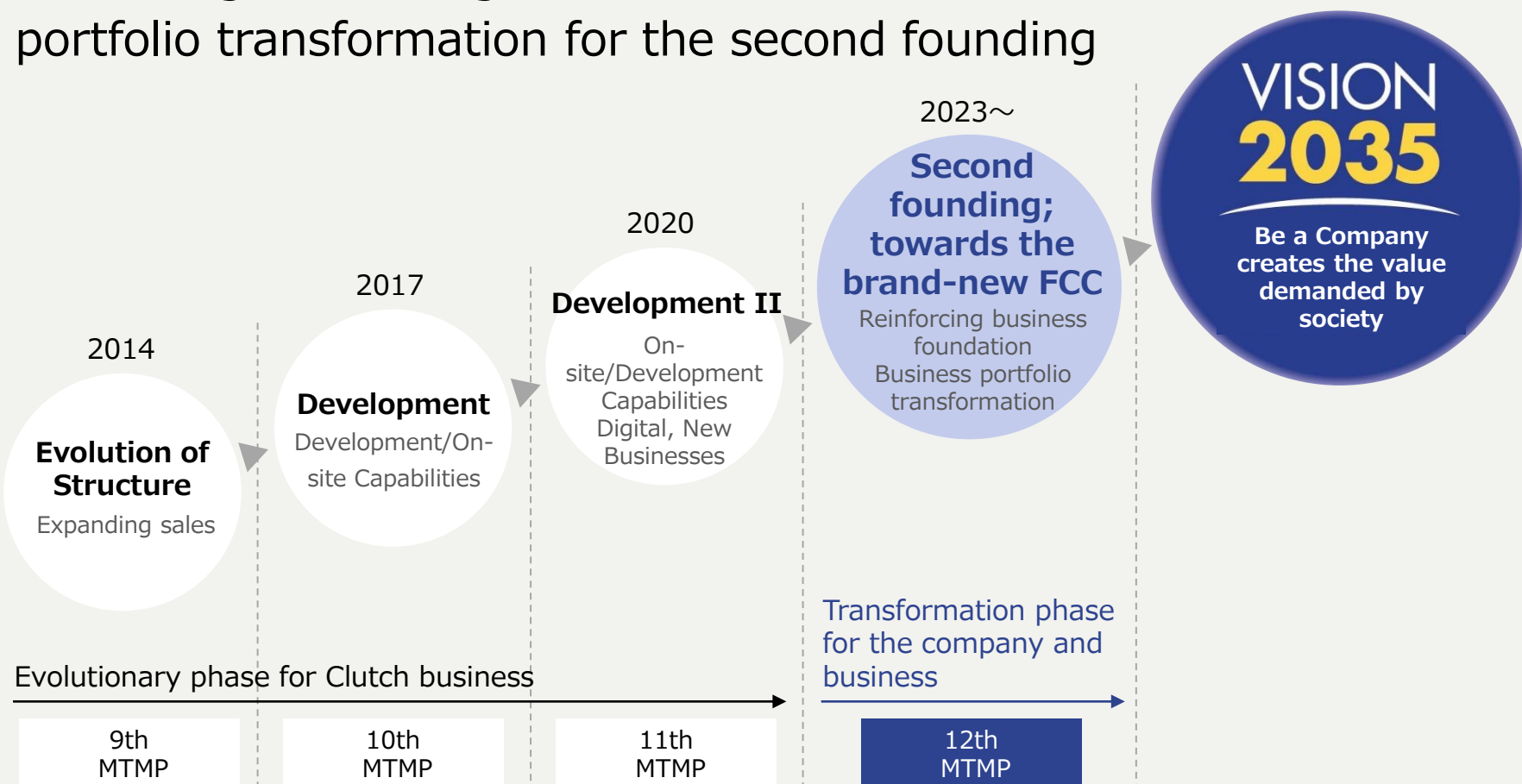
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Prime, Tokyo Stock Exchange

Overview of 12th Medium-term Management Plan 1/2

Promoting reinforcing the business foundation and business portfolio transformation for the second founding

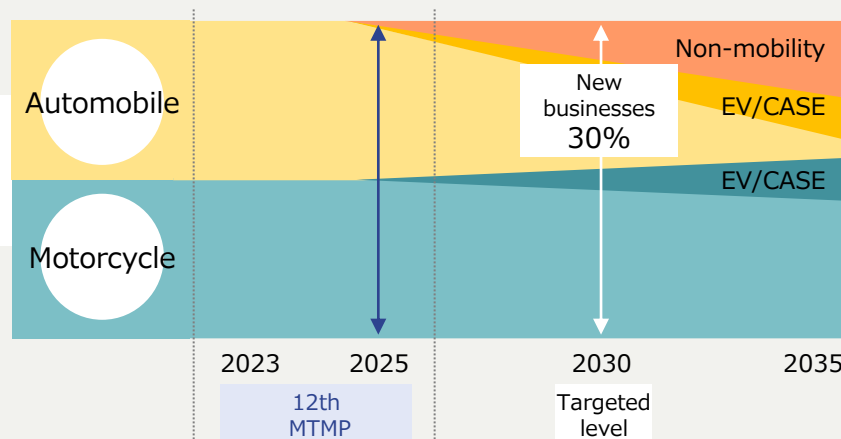


Overview of 12th Medium-term Management Plan 2/2

12th MTMP

Business structure transformation 2023 → 2030

Transformation into a company that provides new value in mobility and non-mobility areas



Business Policy

Achieving new business creation and continuing to prepare for new businesses

New businesses

Mobility More than 20% (of total sales)
[EV/CASE area] Expand business scope through customer base and technology

Non-mobility More than 10% (of total sales)
Create new value in the environment and energy sectors

Transforming the quality of added value through DX

Accelerate use of digital technology
Simultaneously strengthen core business and create/expand new businesses

Maximizing business profitability through selection and concentration

Core business (clutches)

Improve profitability
Ensure corporate strength for new business investments

Motorcycle Fortify/maximize revenue
Automobile Shrink/enhance profitability

Creating a foundation for generating innovation

Manufacturing competitiveness

HR/operations

Fundamental R&D

ESG

Progress of Key Indicators for 12th Medium-term Management Plan

- In our core business, we achieved our Medium-term Management Plan targets for revenue, operating profit, and ROE one year ahead of schedule, thanks to the expansion of motorcycle clutches and the favorable impact of the weak yen.
- We actively allocated resources to new businesses (growth areas) and shifted some operations to the order intake and mass production start phase.

	FY24 Results of 1st year of Medium-term Management Plan	FY25 Results of 2nd year of Medium-term Management Plan	FY26 Targets for 3rd year of Medium-term Management Plan
Revenue (¥ billion)	240.3	256.6	234.0
Operating profit (¥ billion)	15.1	17.3	16.0
ROE	7.1%	8.6%	8.0%
Total shareholders return ratio	40.7%	78.2%	40%
Initiatives aimed at business portfolio transformation	injection of resources into growth areas Transition to preparation for partial mass production	Partial transition to order intake and mass production start phase	Completion of preparation Sales amount: ¥3 billion
Exchange rate (JPY/USD)	144.63	152.58	135.00

Overview of Progress on Companywide Strategy for 12th Medium-term Management Plan

- Strengthening of business foundation progressed as planned.
- Business portfolio transformation is advancing primarily in the motorcycle and automobile (EV/CASE areas).

Companywide Strategy	Category	Main Progress and Initiatives	Rating
Reinforcing business foundation	Motorcycle business (Core clutch)	<ul style="list-style-type: none"> - Steadily kept pace with market growth in the Global South - Expanded share in India 69% (FY24) → 71% (FY25) 	○
	Automobile business (Core clutch)	<ul style="list-style-type: none"> - Focused on HEVs in the main battleground of the US - Strengthened ability to respond to ICE, HEV and BEV trends 	○
	Sustainability ESG	<ul style="list-style-type: none"> - Introduced 100% CO₂-free electricity - Introduced restricted stock incentive program for employee stock ownership association (within Japan) 	○
Business portfolio transformation	Motorcycle business (EV/CASE)	<ul style="list-style-type: none"> - Started mass production of laminated motor cores in India and Indonesia - Formed business alliance with Vietnamese electric motorcycle manufacturer DAT BIKE, securing orders for proprietary e-Axle 	○
	Automobile business (EV/CASE)	<ul style="list-style-type: none"> - Started preparations for mass production of laminated motor cores in China - Received orders for aluminum cases and heat sinks for in-vehicle electronic devices for BEV vehicles in the US 	○
	Non-mobility business	<ul style="list-style-type: none"> - Started mass production of ceramic setters, prepared for mass production of conductive auxiliaries for LiBs - Made downward revision to sales target of ¥3.0 billion for FY26 due to delays in product launches 	△

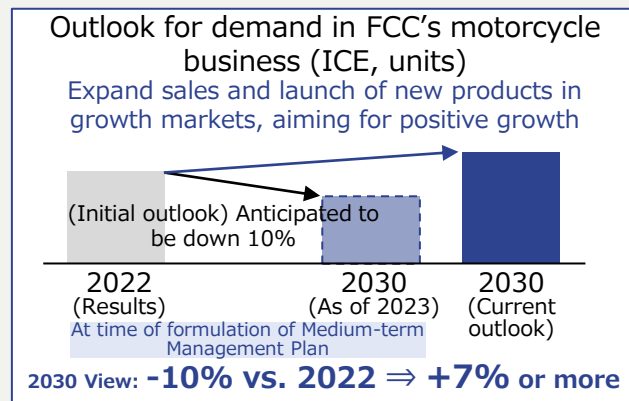
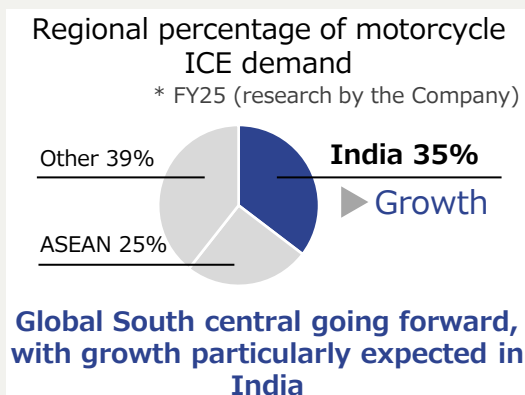
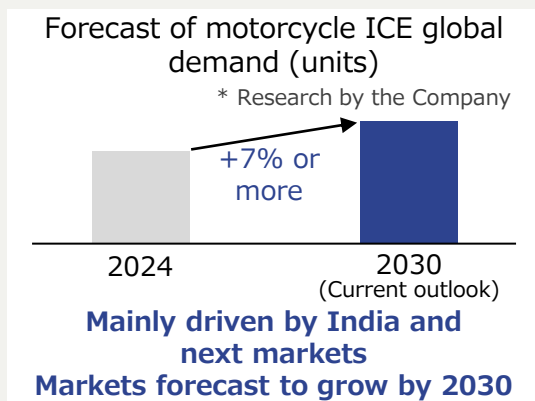
Business Progress (By Category) 1/6

Motorcycle business

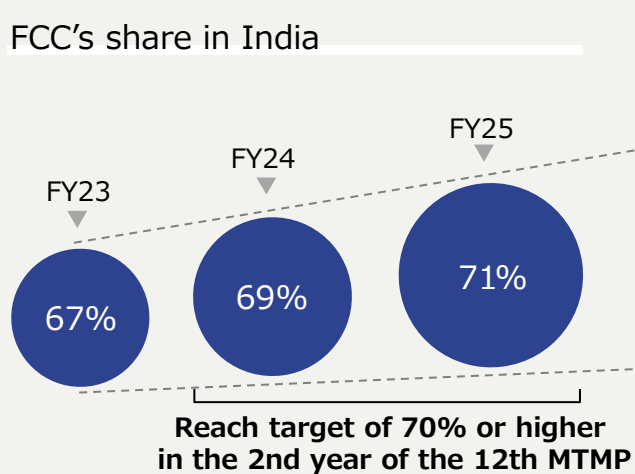
Core clutch

(Market overview update and initiatives)

Business expansion progressed steadily, centered on India:
Continuing to aim to maintain and expand position as a global market leader



FCC's share in India



Market

- Growth will continue to expand in India, which accounts for around 40% of the global market
- Growth of motorcycles, and particularly scooters, is accelerating



Strategy

- Active expansion of sales to all motorcycle OEMs in India
- Domestic demand + expansion of sales to Middle East and Africa with India as a hub
- Launch of automatic start (high added value) clutch

Further share expansion

Main initiatives

Development of affordable (cost-competitive) clutches/expansion of small to large volume zones/expansion of aftermarket

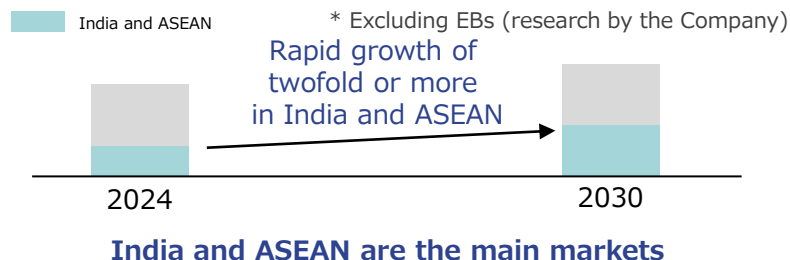
Business Progress (By Category) 2/6

Motorcycle business

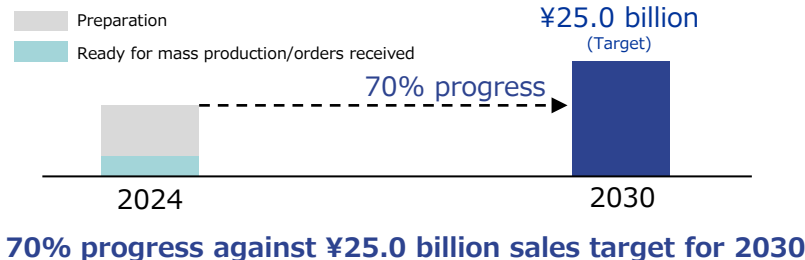
EV/CASE

Expanding mainly in India and ASEAN by leveraging global assets, customer base, and technical capabilities cultivated in our core business

Forecast of global demand for electric motorcycles (units)



Progress against target in FCC's motorcycle CASE business



Strategy and initiatives

Electric core components

Motor cores, etc.



Start of mass production of electric core components, expansion of product groups

Motor cores: Orders received from HONDA
Start of mass production from FY25 (India and Indonesia)

EV vehicle body components: Multiple orders received from overseas OEMs
Start of mass production from FY25 (Vietnam and India)

Promote development and expansion of sales of **other core components**

Power units

Motor Assy, PCU/VCU



Acquisition of orders for proprietary e-Axle, mass production development and preparing for mass production

Formed business alliance with Vietnamese electric motorcycle manufacturer DAT BIKE
➔ Equipped with proprietary e-Axle
Becoming a strategic partner for expansion from Vietnam to ASEAN countries

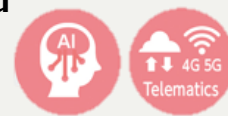
New
FCC's e-Axle



dat.bike × **F.C.C.**

Further added value

Data business, application service



Promoting B to B and B to C business development through manufacturing knowhow and alliances

- Partnership through fund LP investment with Rebright Partners
- Start of development of digital service business, selection of sourcing targets

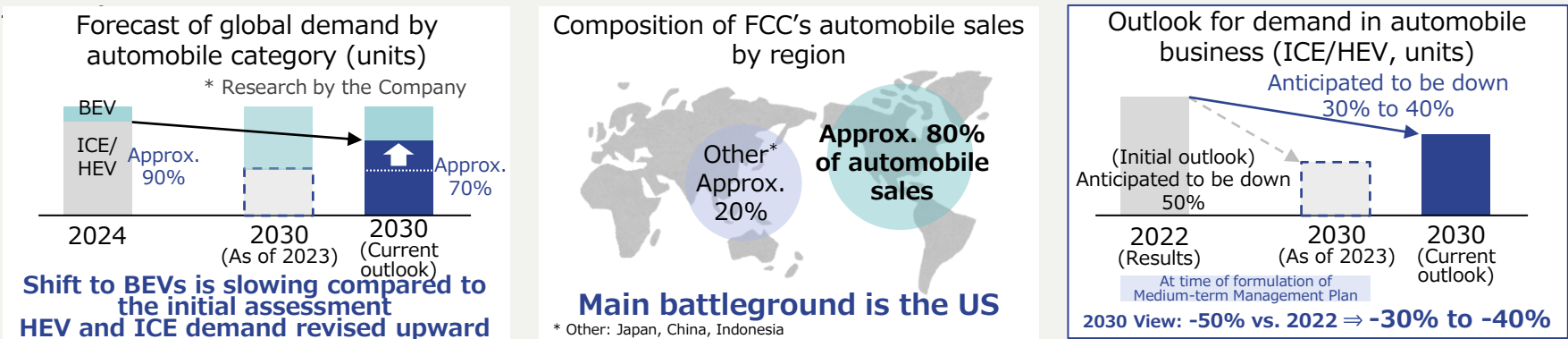
Automobile business

Core clutch

EV/CASE

(Market overview update and initiatives)

Focused on HEVs in US, strengthened ability to respond to ICE, HEV and BEV



Progress and strategy by category

Category	Market changes and FCC's ability to adapt	Progress and strategy
ICE/HEV	Main battleground in the US Utilization of ICE production line for HEV to continue to maintain profitability	US: Expansion of HEV sales, reinjection of development resources Fully utilize resources for market trends to promote cash generation
BEV	BEV slowing recently Shift to BEV in the medium to long term Injection of assets and knowhow cultivated in ICE/HEV	Laminated motor core sub-module area China: Started preparations for mass production of laminated motor cores ➡ Expand to US, India and Japan Aluminum DC thermal management area US: Received orders for aluminum cases and aluminum heatsinks for in-vehicle electronic devices China: Received orders for EV components

Business Progress (By Category) 4/6

Non-mobility business

- Setters and conductive auxiliaries, which are growth market, are each partially launched and in preparation for mass production.
- Meanwhile, sales for FY26 are expected to fall short of the target due to delays in product launches (target: ¥3.0 billion ➡ approx. ¥300 million).



Future initiatives

Redesign resource allocation for the short to long term toward the creation of new businesses in 2030 (Define exploration of core technologies and target areas)

Exploration of core technologies



Blend of FCC's core technologies (chemicals and mechatronics)

Blend



Proactive collaboration and alliances

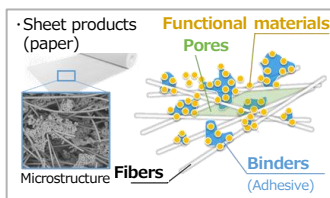
Alliances

Chemicals

Functional material shaping and sheet forming (compounding, dispersion, and paper forming)
➡ Implement advanced material functions in products

Mechatronics

Structuring and modularization (performance evaluation and functional selling)
➡ Demonstrate functionality and performance
Design and manufacture of structures and modules



Target areas



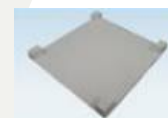
Growth markets



Social issues

Semiconductor industry

Chip firing jig
Ceramic setter



◀ Launched

Battery industry

Start of preparation for mass production
Introduction of pilot line



Conductive auxiliaries

Carbon neutrality

Gas adsorption

H₂

CO₂

Synthetic catalyst

Business Progress (By Category) 5/6

ESG



E Status of CO₂ reduction and main initiatives for energy reduction

FY25 CO₂ emissions (compared to previous year): 8% reduction

2030 CO₂ emissions reduction target of 50% (compared to 2013 levels): Overall target not achieved

Japan

Achieved targets mainly through the introduction of CO₂-free electricity

Overseas

Although measures such as the introduction of solar power generation equipment were promoted, an increase in production volume resulted in the target not being achieved

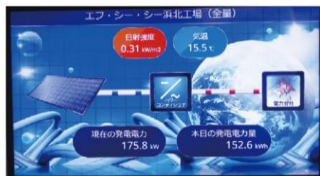
Main initiatives for introducing renewable energy

○ Introduction of solar power generation equipment

Japan: Hamamatsu region (Hamakita, Watagashima)

Overseas: India, Foshan in China, Taiwan

Solar power generation equipment:
Hamakita Factory



○ Introduction of 100% CO₂-free electricity

Hamamatsu region, Suzuka region

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。



ESG



Progress of 3 pillars of HR strategy

Diversity

Strengthening systems supporting flexible work styles

- Expansion of work style options
Established flexible systems that enable employees to balance childcare, nursing care, and work
- Optimization of workplace environment
Supported the balance between life events and career development



HR development

Redesigning human resource development to realize the “brand-new FCC”

- Developing personnel who can handle change
Provided a flexible learning environment that can adapt to changes in business
- Creation of diverse leaders
Conducted training to promote career development and awareness reform among women



Engagement

Introduced a restricted stock incentive program for employee stock ownership association aimed at improving employee engagement



Participation in employee stock ownership association

Before introduction of system:
Approx. 20%

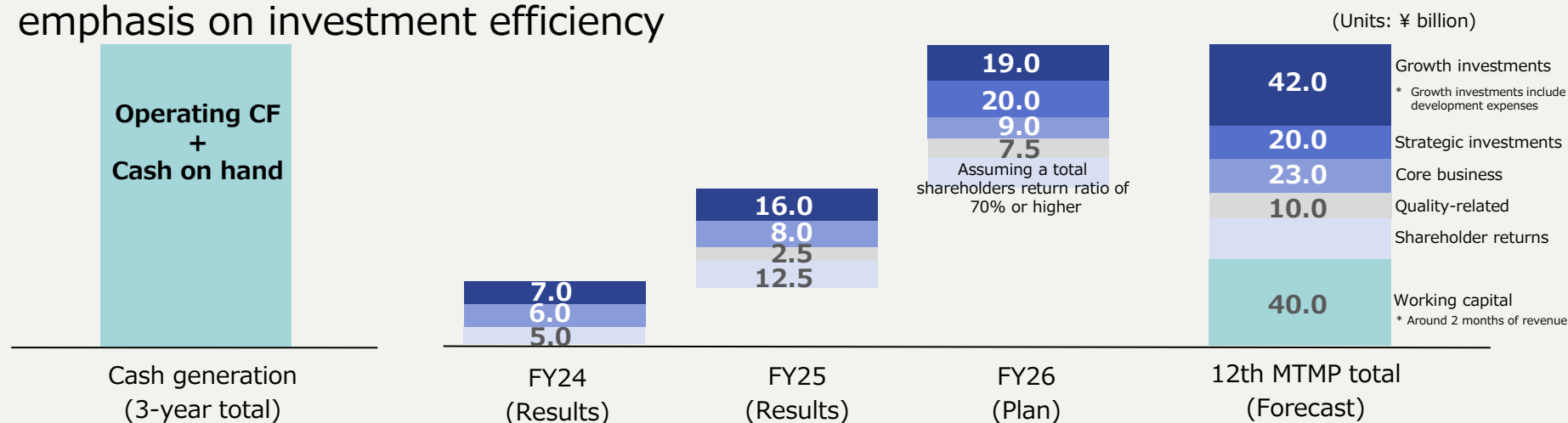
After introduction of system:
Approx. 80%



Progress of Financial Strategy 1/2

Cash allocation progress

Invested funds mainly in growth investments to transform business portfolio
Also, in core business, focused investments on motorcycle clutches with an emphasis on investment efficiency



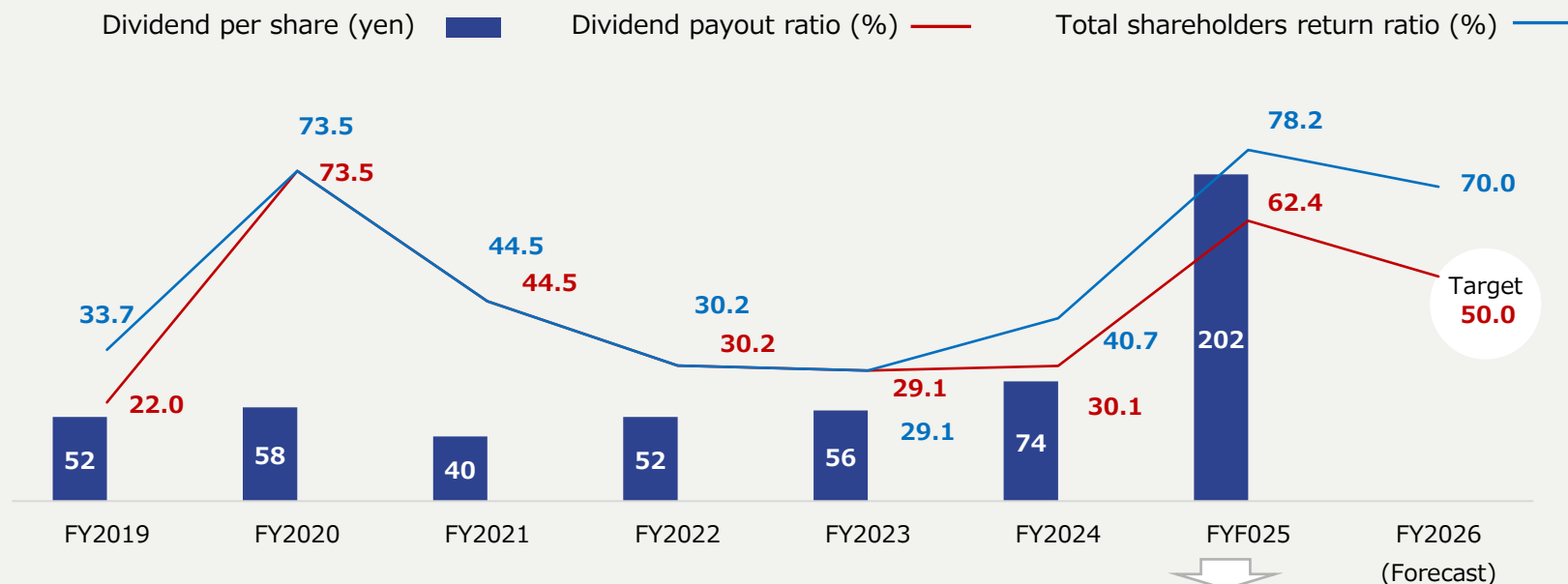
Category	Main details	(Units: ¥ billion)	
		FY25 (Results)	FY26 (Plan)
Growth investments	Motorcycle CASE: 1.3 Automobile CASE: 6.7 Non-mobility: 8.0	Motorcycle CASE: 2.9 Automobile CASE: 7.4 Non-mobility: 8.7	
Strategic investments	–	Motorcycle CASE: Partial injection into capital and business alliance with DAT BIKE	
Core business investments	Motorcycle clutch: 4.7 Automobile clutch: 3.3	Motorcycle clutch: 5.5 (expansion of capacity in India , etc.) Automobile clutch: 3.5	
Others	Quality-related expenses: 2.5	Quality-related expenses: 7.5	

Progress of Financial Strategy

Shareholder returns



- In FY25, we expanded returns based on the progress of the 12th Medium-term Management Plan, compared with announcement at the beginning of the fiscal year.
- In FY26, we expect to exceed the MTMP target (total shareholders return ratio of 40%) and achieve a ratio of 70% or more.



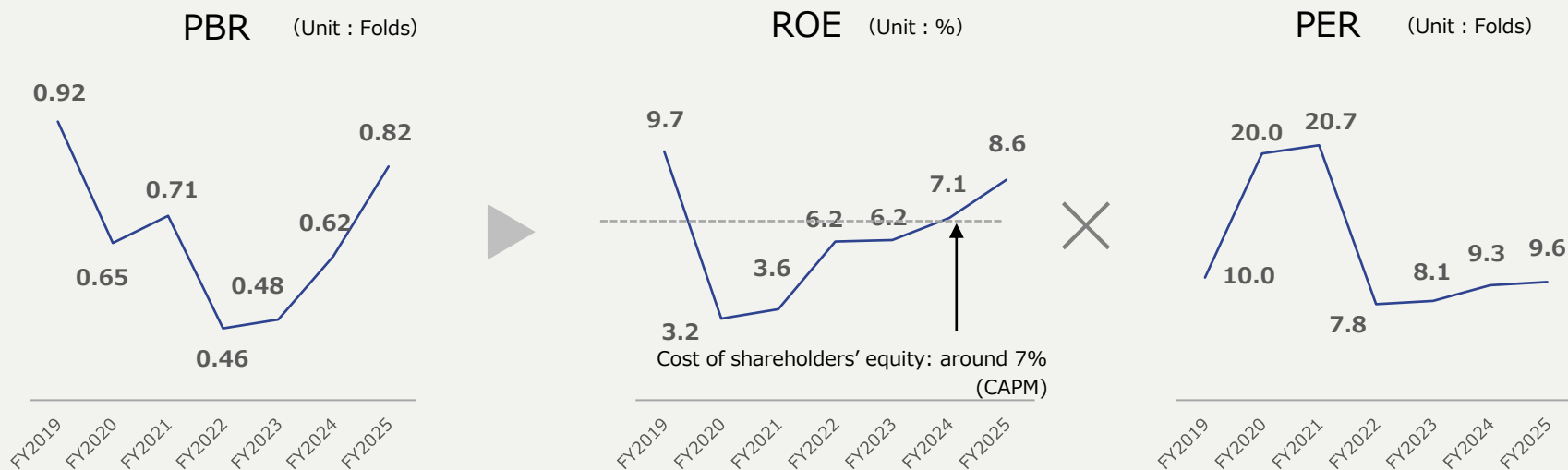
Dividends ▶ **Increased dividend from initial announcement to annual dividend of ¥202 yen (+¥128 YoY)**
Interim : ¥101 (ordinary dividend: ¥38, commemorative dividend: ¥63)
Year-end : ¥101 (ordinary dividend: ¥38, commemorative dividend: ¥63)

Share buybacks ▶ **¥2.5 billion (822,000 shares)**

Toward Sustained Enhancement of Corporate Value 1/2

Current analysis and future challenges

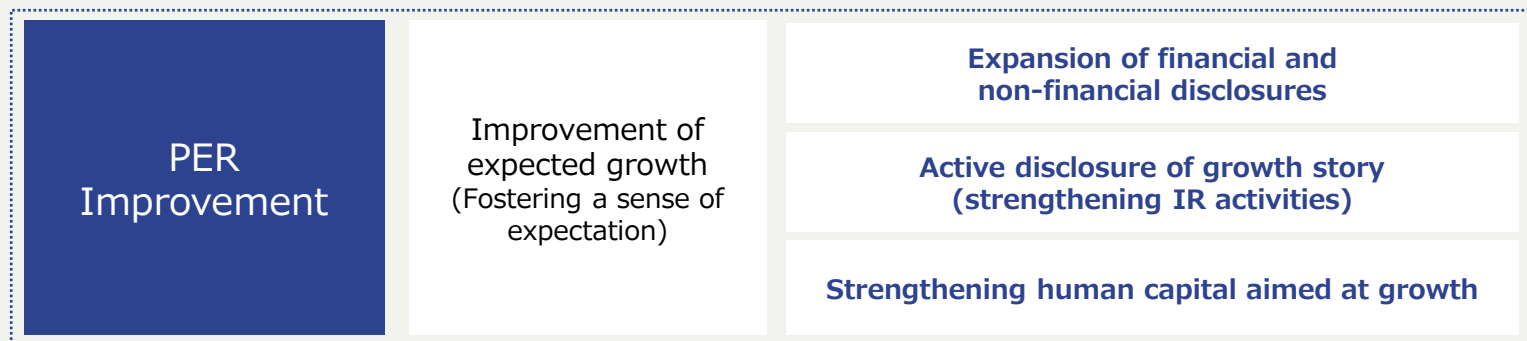
- Various indicators are on a recovery trend, but PBR remains below 1x, and further improvement in ROE and PER remains a challenge.
- Aiming for future growth, we will focus on improving the profitability of our core business to exceed the increase in costs for new businesses, with the goal of achieving ROE that consistently exceeds the cost of shareholders' equity.



Toward Sustained Enhancement of Corporate Value 2/2

Future efforts to improve PBR

- We will improve ROE by focusing on enhancing the profitability of core business and working to enhance the profitability of new businesses.
- We will improve PER by actively disclosing financial and non-financial information and our growth story, and working to strengthen human capital aimed at growth.





Consolidated Results for FY25

Consolidated Results Outline for FY25

Revenue and income increased, because of increased sales in India and Indonesia, and the weakened JPY with revenue and operating profit reaching a record level

(million yen)

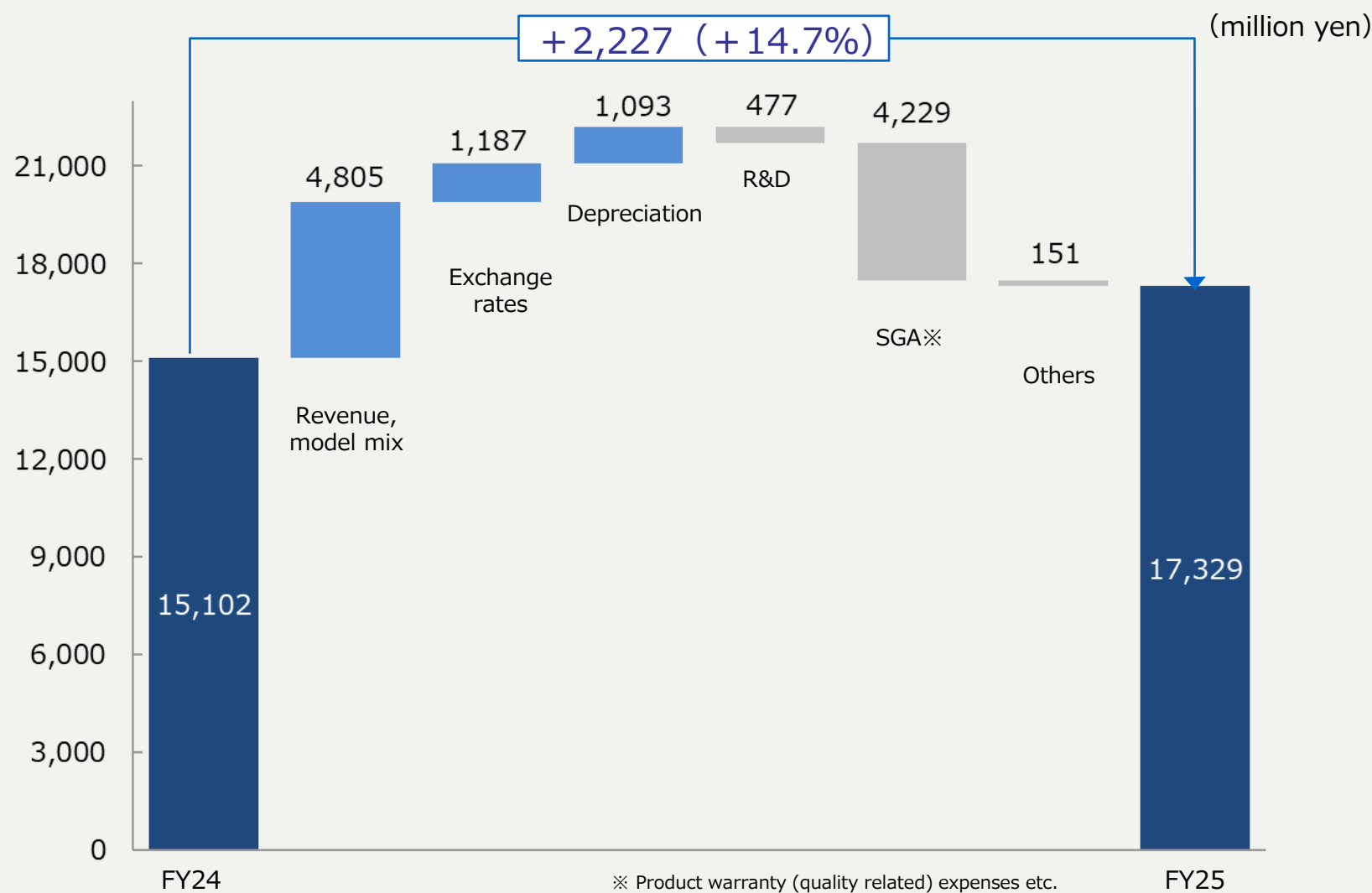
	FY24 Results	FY25 Results	Change (amount)	Change (%)
Revenue	240,283	256,619	16,335	6.8%
Operating profit	15,102	17,329	2,227	14.7%
Profit before income taxes	19,169	20,052	882	4.6%
Profit	12,456	15,903	3,447	27.7%
Profit attributable to owners of parent	12,231	15,859	3,627	29.7%
Basic earnings per share (Yen)	245.91	323.77	77.86	31.7%

Average exchange rate	FY24 Result	FY25 Result	Change
USD	¥ 144.63	¥ 152.58	¥ 7.95

FY25 Fluctuations for Operating Profit

Positive factors : Revenue, model mix...India and Indonesia

Negative factors : Increasing SGA...Includes an increase of 2.9 billion yen in product warranty costs

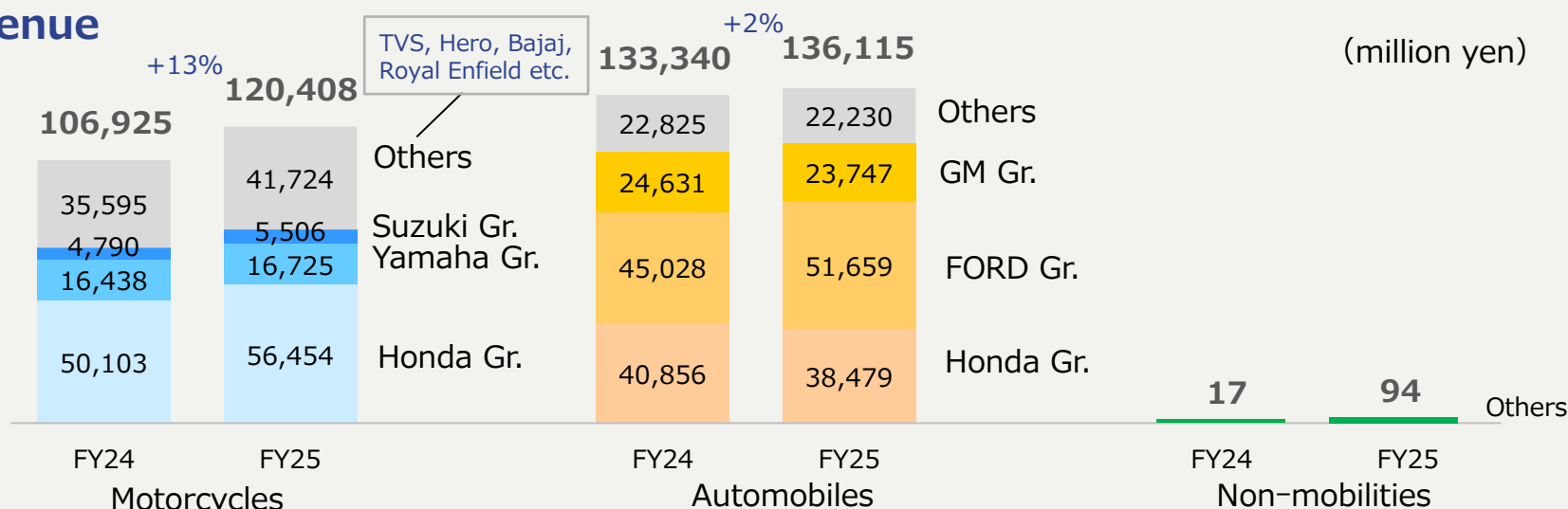


Revenue/Operating Profit by Business Segment

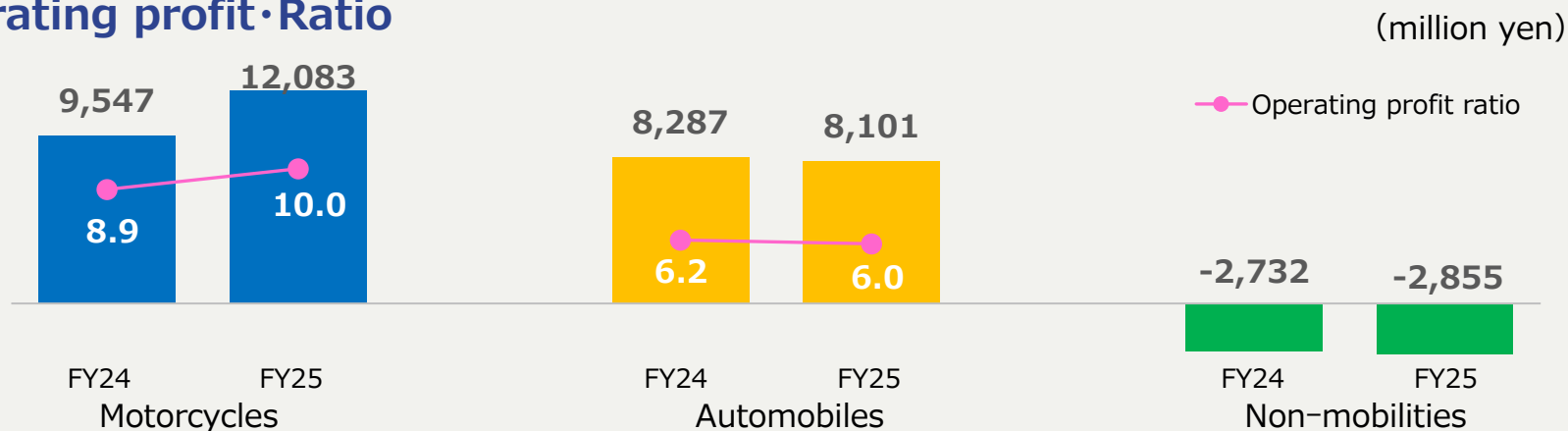
Motorcycle business : Increased sales in India, especially local Indian manufacturers. Revenue and profit increased.

Automobile business : Decreased sales in China and U.S. were covered by impact of the weakened yen. Profits decreased due to the recording of product warranty costs.

Revenue



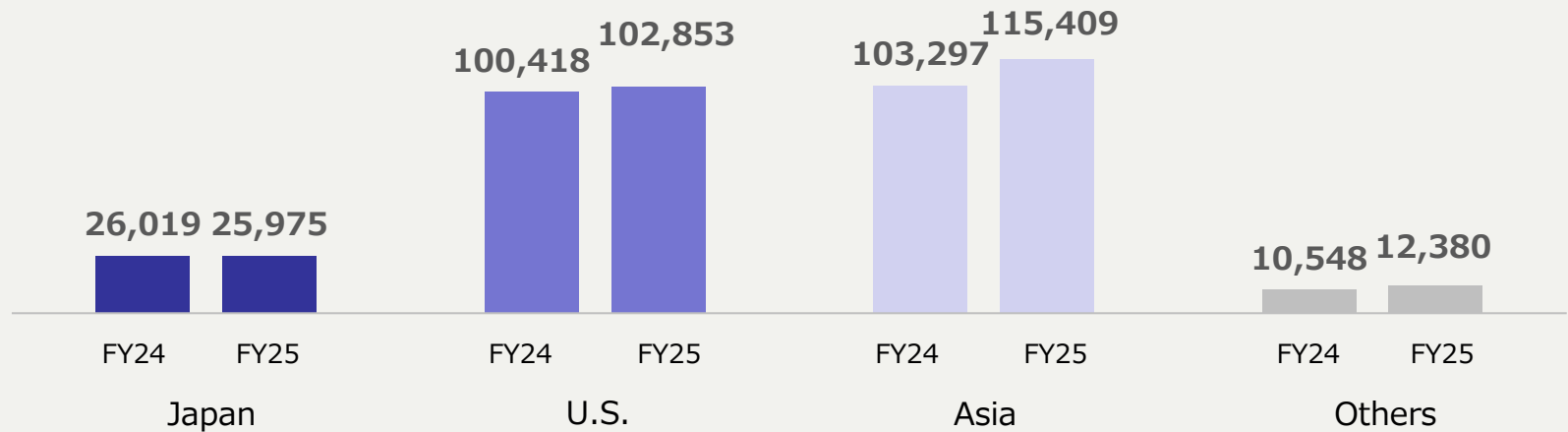
Operating profit·Ratio



Revenue/Operating Profit by Geographical Segment

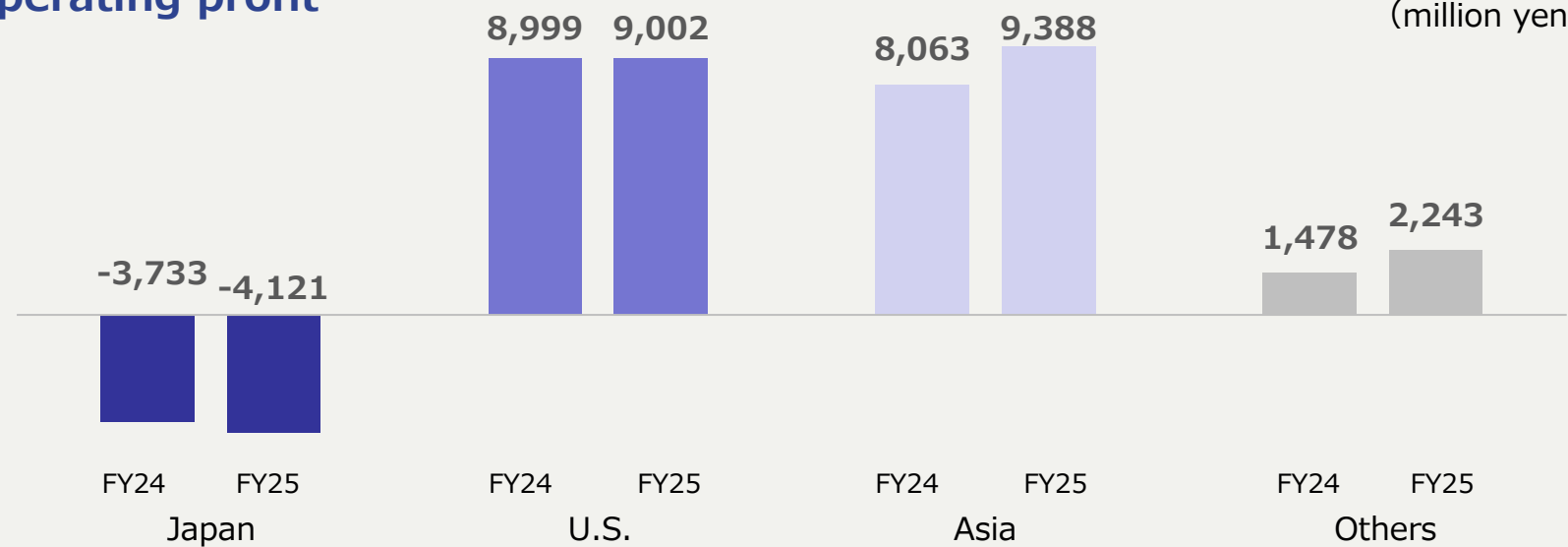
Revenue

(million yen)



Operating profit

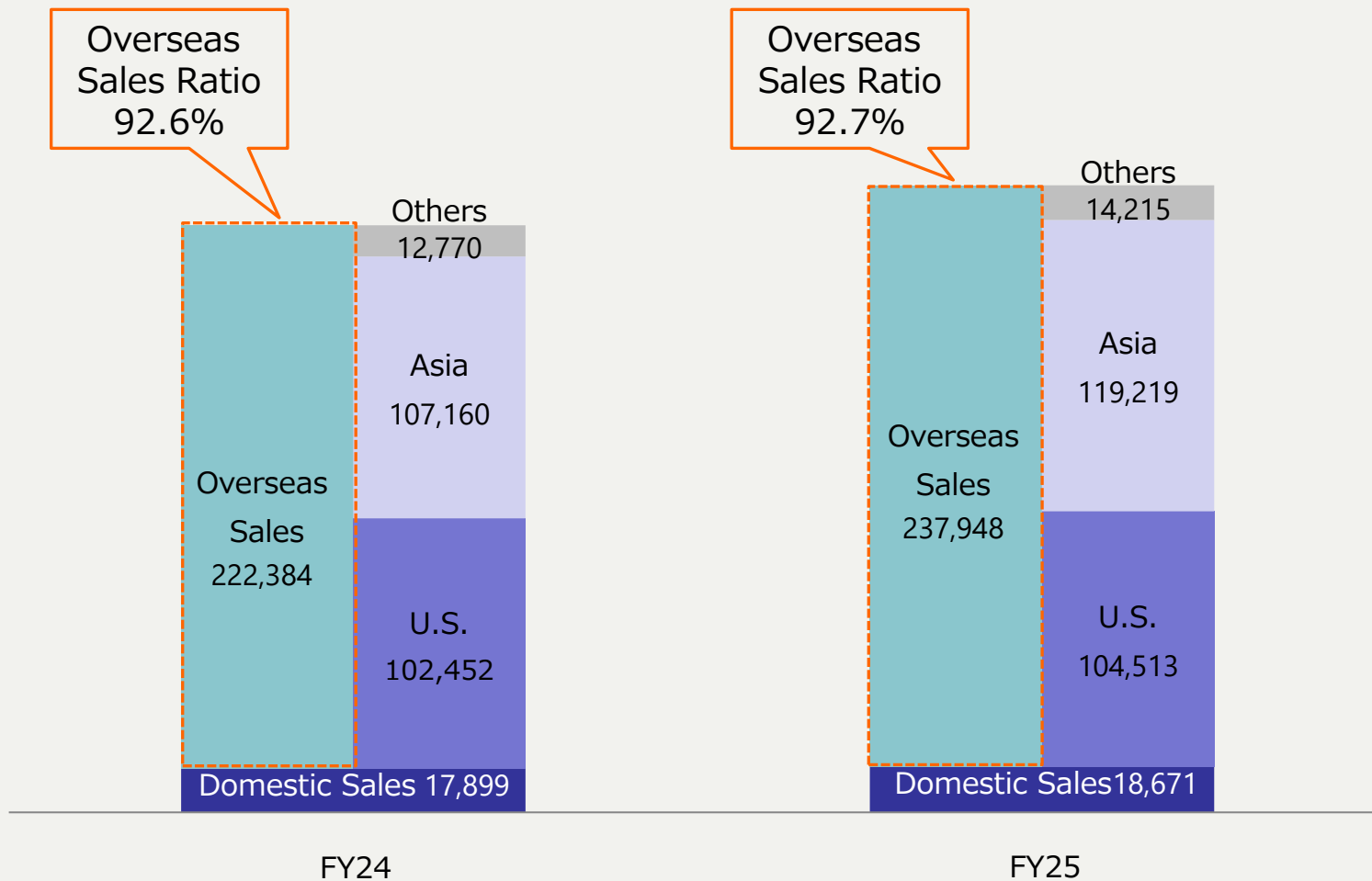
(million yen)



The Foreign Sales Ratio

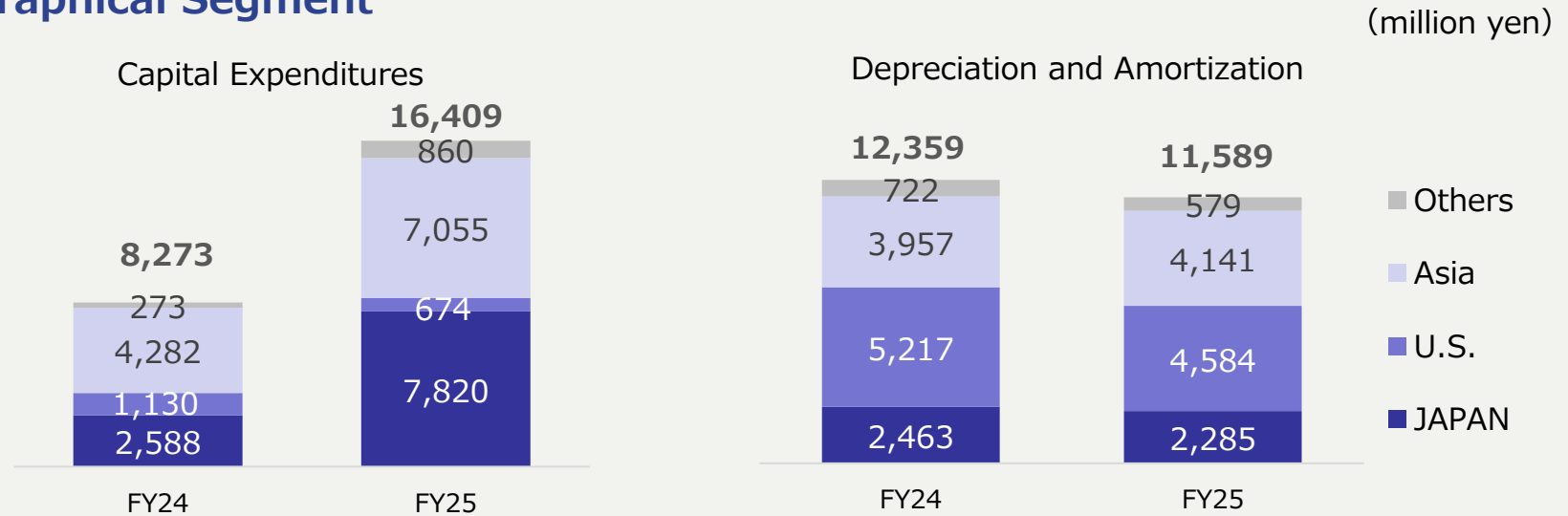
Overseas Sales Ratio: Increase of 0.1 point
compared to the previous fiscal year

(million yen)

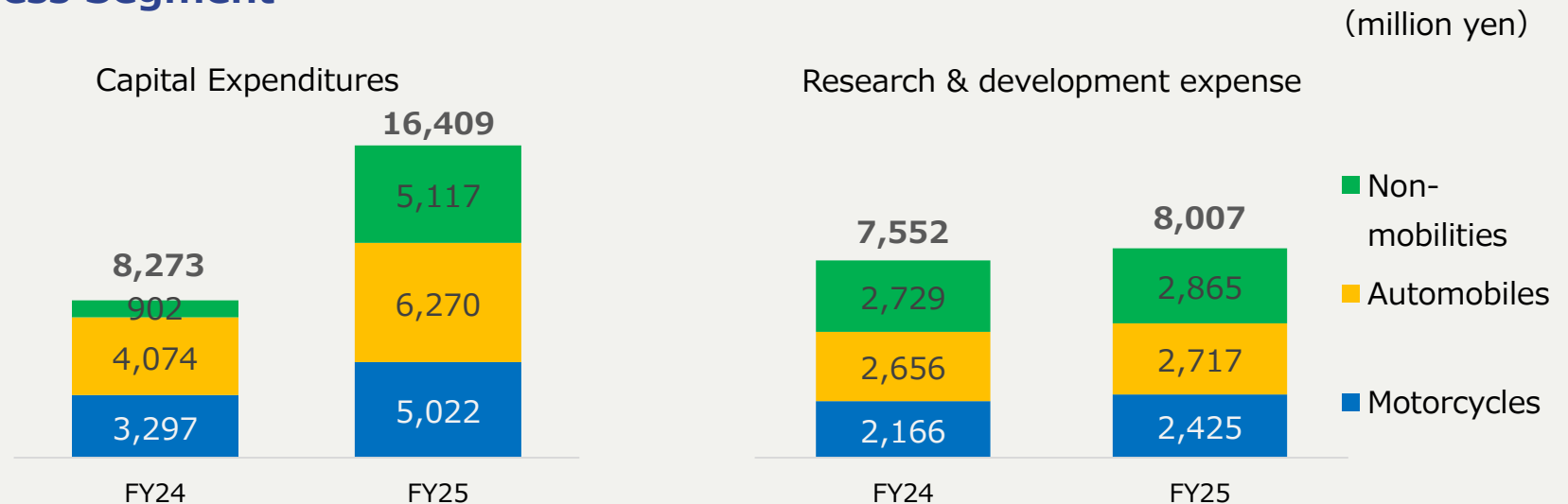


Capital Expenditures, Depreciation & Amortization and Research & development expense

Geographical Segment



Business Segment

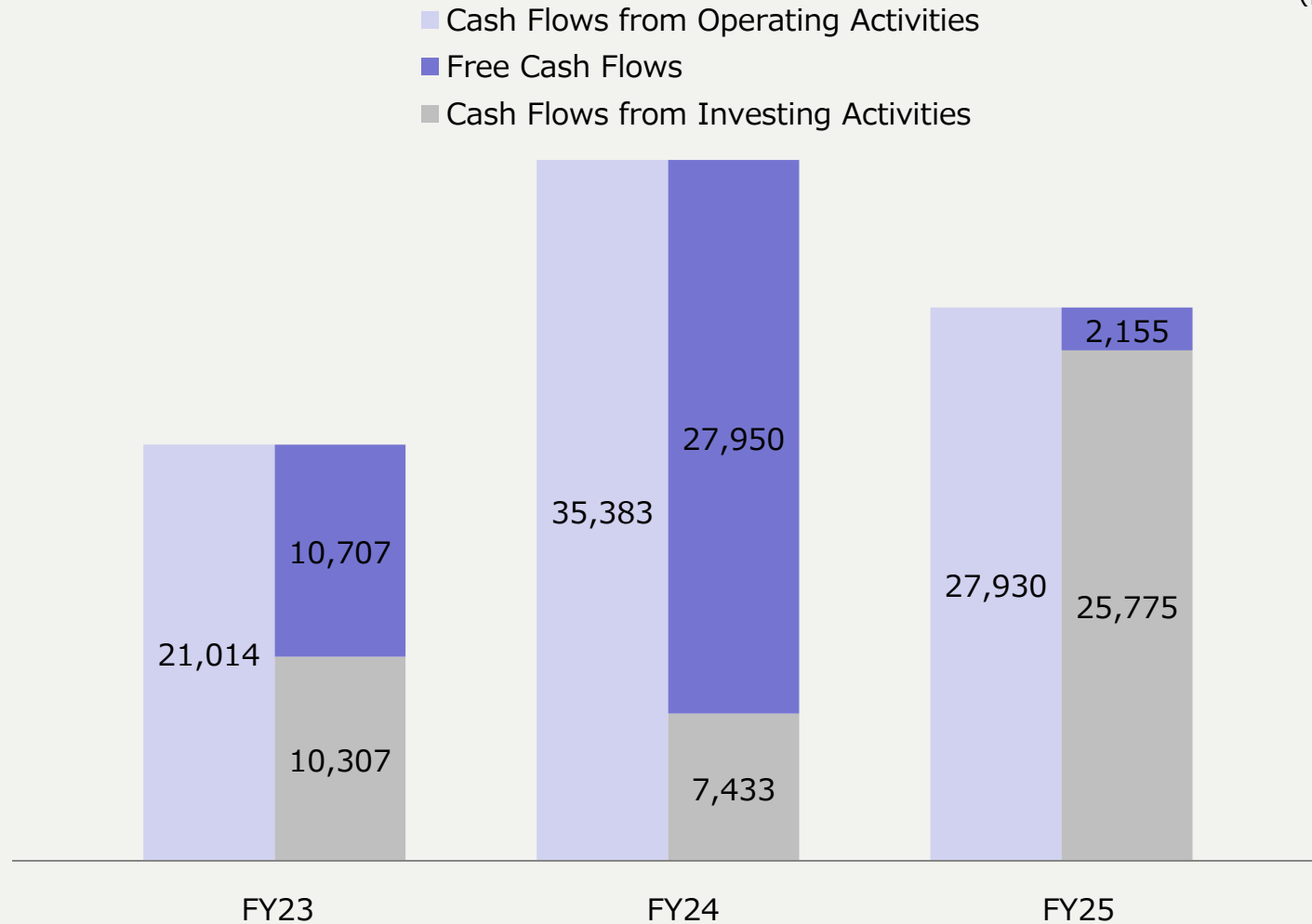


※Excluding depreciation of development assets

Free Cash Flows

Change in Free Cash Flows

(million yen)



Exchange Rates FY25

(Average exchange rate)				
Location	Currency	FY24	FY25	Change
U.S.	USD	¥144.63	¥152.58	5.5%
Mexico	MXN	¥8.36	¥8.00	-4.3%
Thailand	THB	¥4.11	¥4.38	6.6%
Indonesia	IDR	¥0.0094	¥0.0095	1.1%
India	INR	¥1.75	¥1.81	3.4%
China	CNY	¥20.15	¥21.11	4.8%
Brazil	BRL	¥29.32	¥27.27	-7.0%
Taiwan	TWD	¥4.60	¥4.70	2.2%
Philippines	PHP	¥2.59	¥2.64	1.9%
Vietnam	VND	¥0.00600	¥0.00606	1.0%



【appendix】

Business Recognition for FY26

※Excluding the impact of US tariffs

Business Recognition for FY26 ※Excluding the impact of US tariffs

Exchange rate impact on revenue : Total -20 billion yen

(Motorcycle -12 billion yen, Automobile -8 billion yen)

Motorcycle business : Increase in clutch business in India, and increase in EV/CASE business

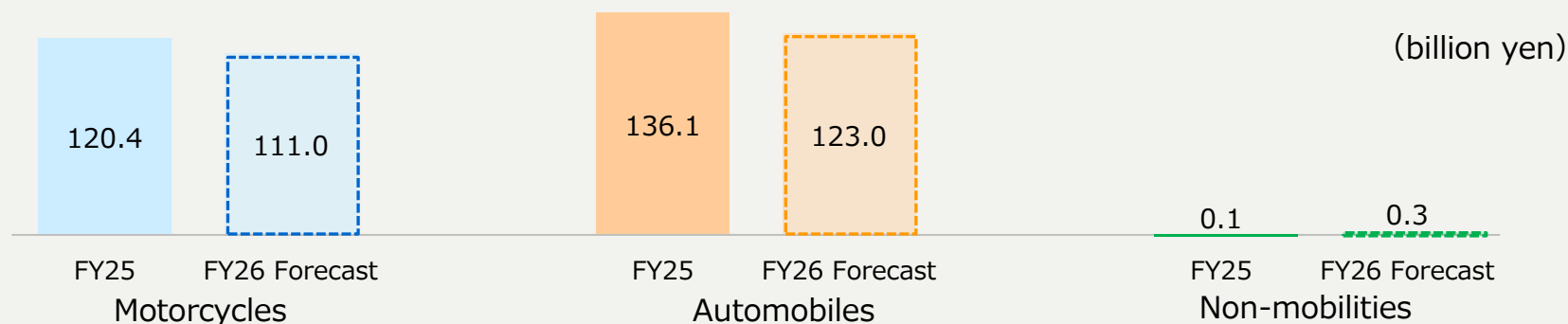
Automobile business : Decreasing sales in China and U.S.

Revenue by Business Segment

(billion yen)

	FY25 Results	Breakdown		FY26 Forecast	Breakdown	
		Core (Clutch)	EV/CASE		Core (Clutch)	EV/CASE
Revenue	256.6			233.3		
Motorcycle	120.4	120.2	0.2	110.0	109.1	0.9
Automobile	136.1	136.0	0.1	123.0	122.5	0.5
Non-mobility	0.1			0.3		
Exchange rate (USD)	152.58			140.00		

Exchange rate impact on revenue : Total -20 billion yen
(Motorcycle -12 billion yen, Automobile -8 billion yen)





【appendix】
FY25 Sales by Customer

FY25 Sales by Customer

Total	(million yen)					
	FY24 Results		FY25 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	90,959	37.9%	94,933	37.0%	3,974	4.4%
YAMAHA Group	16,438	6.8%	16,725	6.5%	287	1.7%
SUZUKI Group	4,790	2.0%	5,506	2.1%	716	14.9%
KAWASAKI Group	2,519	1.0%	2,780	1.1%	261	10.4%
FORD	45,028	18.7%	51,659	20.1%	6,631	14.7%
GM	24,631	10.3%	23,747	9.3%	-884	-3.6%
ZF /STELLANTIS	9,968	4.1%	10,081	3.9%	113	1.1%
Kanematsu (Harley- Davidson ,etc.)	6,055	2.5%	5,866	2.3%	-189	-3.1%
Others	39,895	16.6%	45,322	17.7%	5,427	13.6%
Total	240,283	100.0%	256,619	100.0%	16,336	6.8%

FY25 Sales by Customer

Motorcycle business

(million yen)

	FY24 Results		FY25 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	50,103	46.9%	56,454	46.9%	6,351	12.7%
YAMAHA Group	16,438	15.4%	16,725	13.9%	287	1.7%
SUZUKI Group	4,790	4.5%	5,506	4.6%	716	14.9%
KAWASAKI Group	2,519	2.4%	2,780	2.3%	261	10.4%
Kanematsu (Harley-Davidson ,etc.)	5,907	5.5%	5,697	4.7%	-210	-3.6%
Hero	5,177	4.8%	5,492	4.6%	315	6.1%
Bajaj	3,081	2.9%	3,309	2.7%	228	7.4%
TVS	6,125	5.7%	7,513	6.2%	1,388	22.7%
Others	12,786	12.0%	16,933	14.1%	4,147	32.4%
Total	106,925	100.0%	120,409	100.0%	13,483	12.6%

FY25 Sales by Customer

Automobile business

(million yen)

	FY24 Results		FY25 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	40,856	30.6%	38,479	28.3%	-2,377	-5.8%
FORD	45,028	33.8%	51,659	38.0%	6,631	14.7%
GM	24,631	18.5%	23,747	17.4%	-884	-3.6%
ZF	5,211	3.9%	5,882	4.3%	671	12.9%
STELLANTIS	4,757	3.6%	4,199	3.1%	-558	-11.7%
Others	12,857	9.6%	12,149	8.9%	-708	-5.5%
Total	133,340	100.0%	136,115	100.0%	2,775	2.1%

FY25 Sales by Customer

Non-mobilities business

(million yen)

	FY24 Results		FY25 Results		Change (amount)	Change (%)
	Revenue	Ratio	Revenue	Ratio		
Others	17	100.0%	95	100%	78	458.8%
Total	17	100.0%	95	100%	78	458.8%

Inquiry Information

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This slide contains forward-looking statements about F.C.C. performance, which are based on management's assumptions and beliefs, taking into account information currently available. Please note that our actual incomes are subject to management changes etc. They might differ from our plans or forecasts. In addition, the purpose of this material is to provide our business description information, not to encourage a purchase of shares.