



FY2026 Financial Results Briefing

(April 1, 2025 through March 31, 2026)

May 13, 2026

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



Agenda

- 1. Executive Summary
- 2. Consolidated Financial Results for Fiscal Year Ending March 2026
- 3. Consolidated Full-year Earnings Forecast for Fiscal Year Ending March 2027
- 4. 13th Medium-term Management Plan (FY2027 to FY2031)

1. Executive Summary

Highlights of the Financial Results for Fiscal Year Ending March 2026

- Revenue: Increased sales led to increased revenue mainly in India for the motorcycle business and in North America for the automobile business
- Operating profit: Profits increased due to increased revenue and reduced depreciation expenses, despite the effect of tariffs and restructuring costs in China
- Net income: Net income increased, mainly due to recognition of deferred tax assets
- Shareholder returns:
 - The dividend payout ratio was set at 50%, resulting in an annual ordinary dividend of 194 yen per share (an increase of 118 yen year on year)
 - The maximum amount of share buybacks is set at 3.39 billion yen
- ROE: 9.6% (+1.0 point year on year)

Forecast for Fiscal Year Ending March 2027

- Revenue is forecast to be 260 billion yen and operating profit 20 billion yen, partially reflecting the effect of the tensions in the Middle East
- The motorcycle business is forecast to have increased revenue due to higher sales in India and the Philippines, while the automobile business is forecast to have increased profits despite lower sales in North America, due to reduced depreciation costs
- Shareholder returns are expected to be 160 yen per share annual ordinary dividend, in accordance with the 13th Medium-term Management Plan

13th Medium-term Management Plan (FY2027 to FY2031)

- A five-year plan has been formulated based on the progress of the 12th Medium-term Management Plan
We aim to transform our business structure and achieve a second founding by 2030, thereby enhancing corporate value based on four key strategies (business strategy, strengthening the management foundation, financial and capital strategy, and sustainability strategy)

2. Consolidated Financial Results for Fiscal Year Ending March 2026

2-1 Consolidated Results Outline for FY26

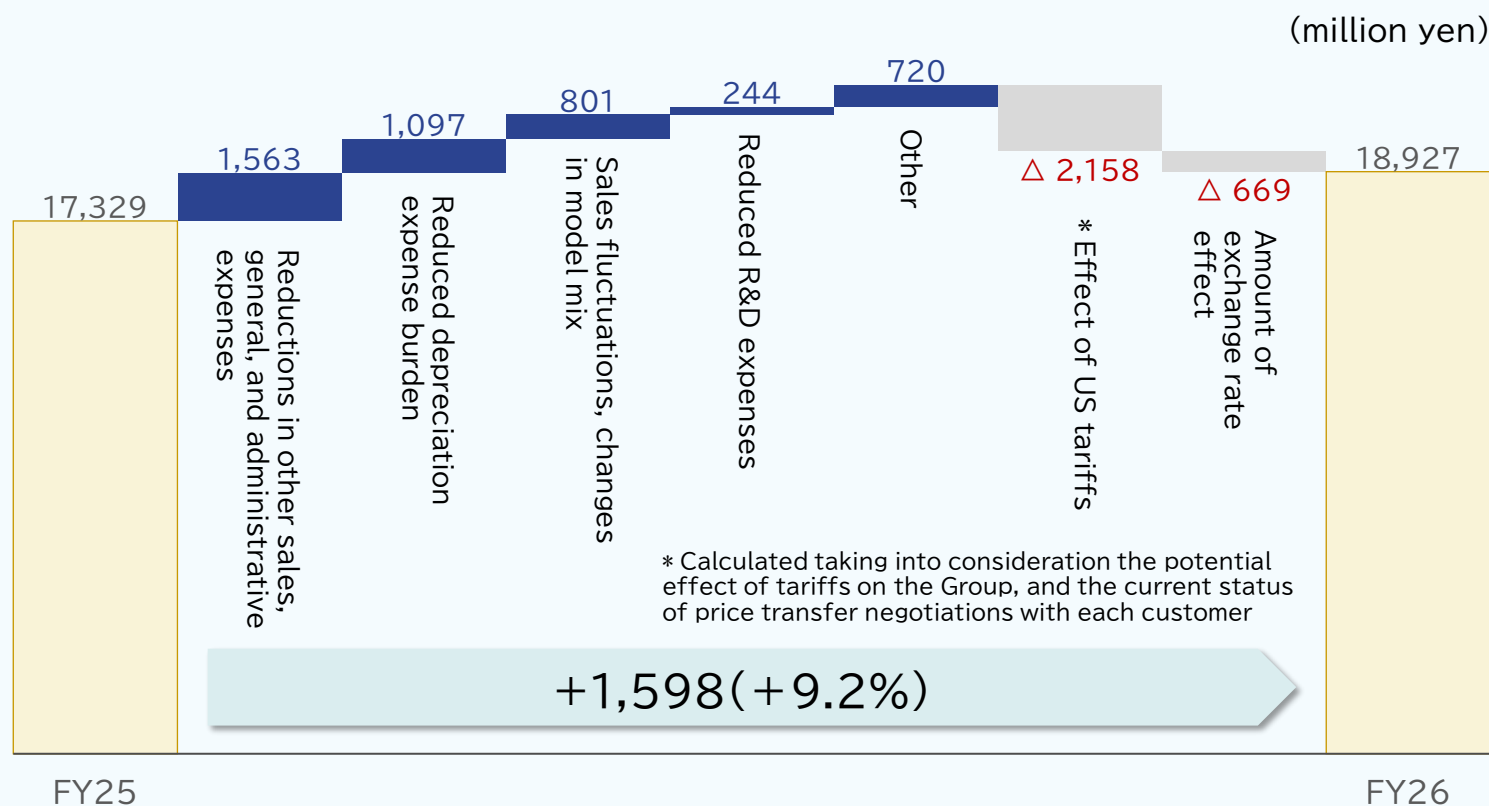
- Increased sales of motorcycles in India and automobiles in North America resulted in record-high revenue and operating profit

(million yen)

	FY25 Results	FY26 Results	Change (amount)	Change
Revenue	256,619	260,836	4,217	1.6%
Operating profit	17,329	18,927	1,598	9.2%
Profit before income taxes	20,052	21,567	1,515	7.6%
Profit	15,903	18,806	2,903	18.3%
Profit attributable to owners of parent	15,859	18,760	2,901	18.3%
Basic earnings per share (Yen)	323.77	387.36	63.59	19.6%
Average rate during the period	FY25 Result	FY26 Result		Change
USD (Yen)	152.58	150.78		-1.80

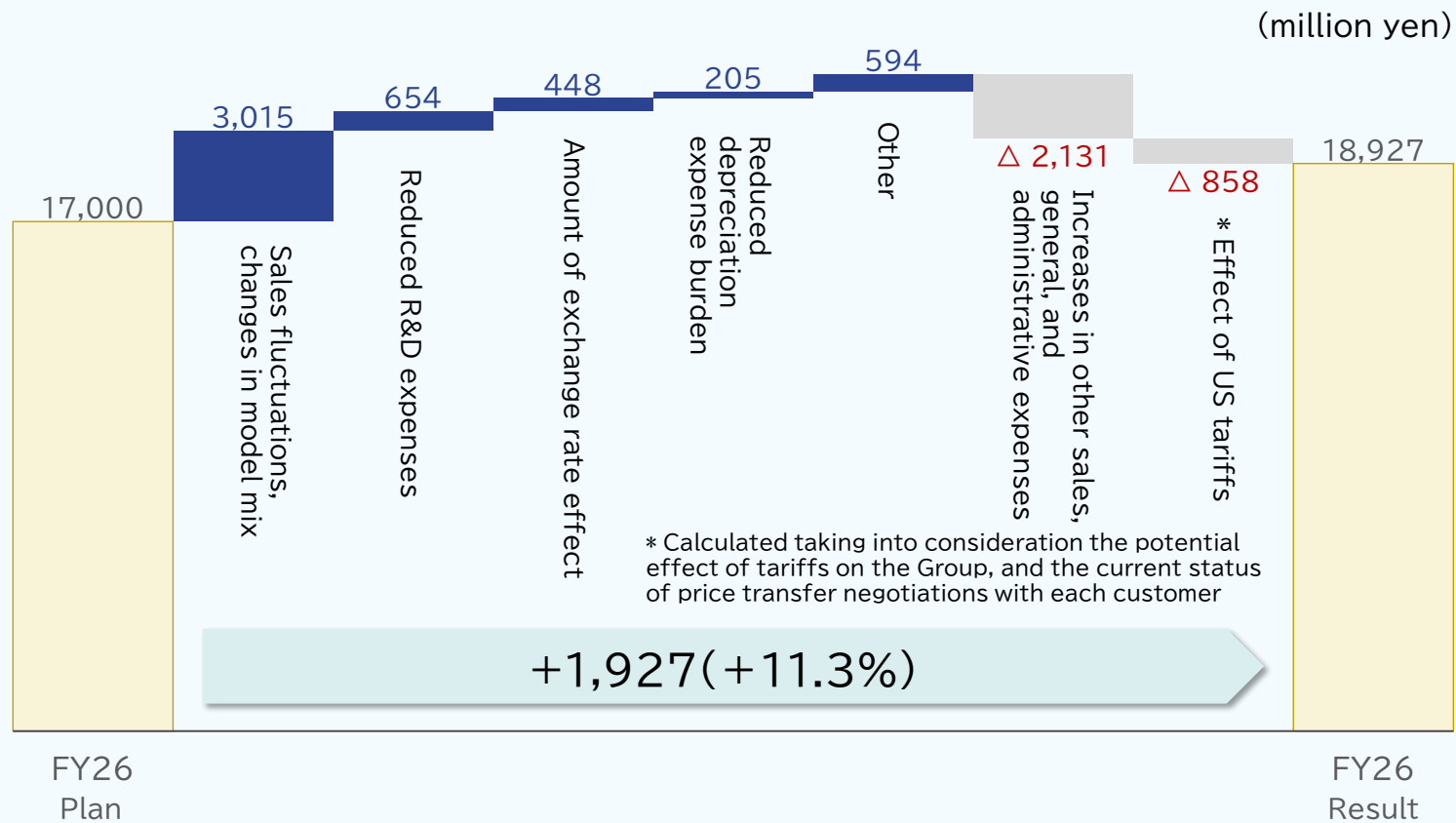
2-2 Analysis of Changes in Operating Profit (Year on Year)

- [Factors for increased profits] Mainly due to a decrease in sales, general, and administrative expenses, and a reduction in depreciation expenses
- [Factors for reduced profits] Mainly the effect of US tariffs



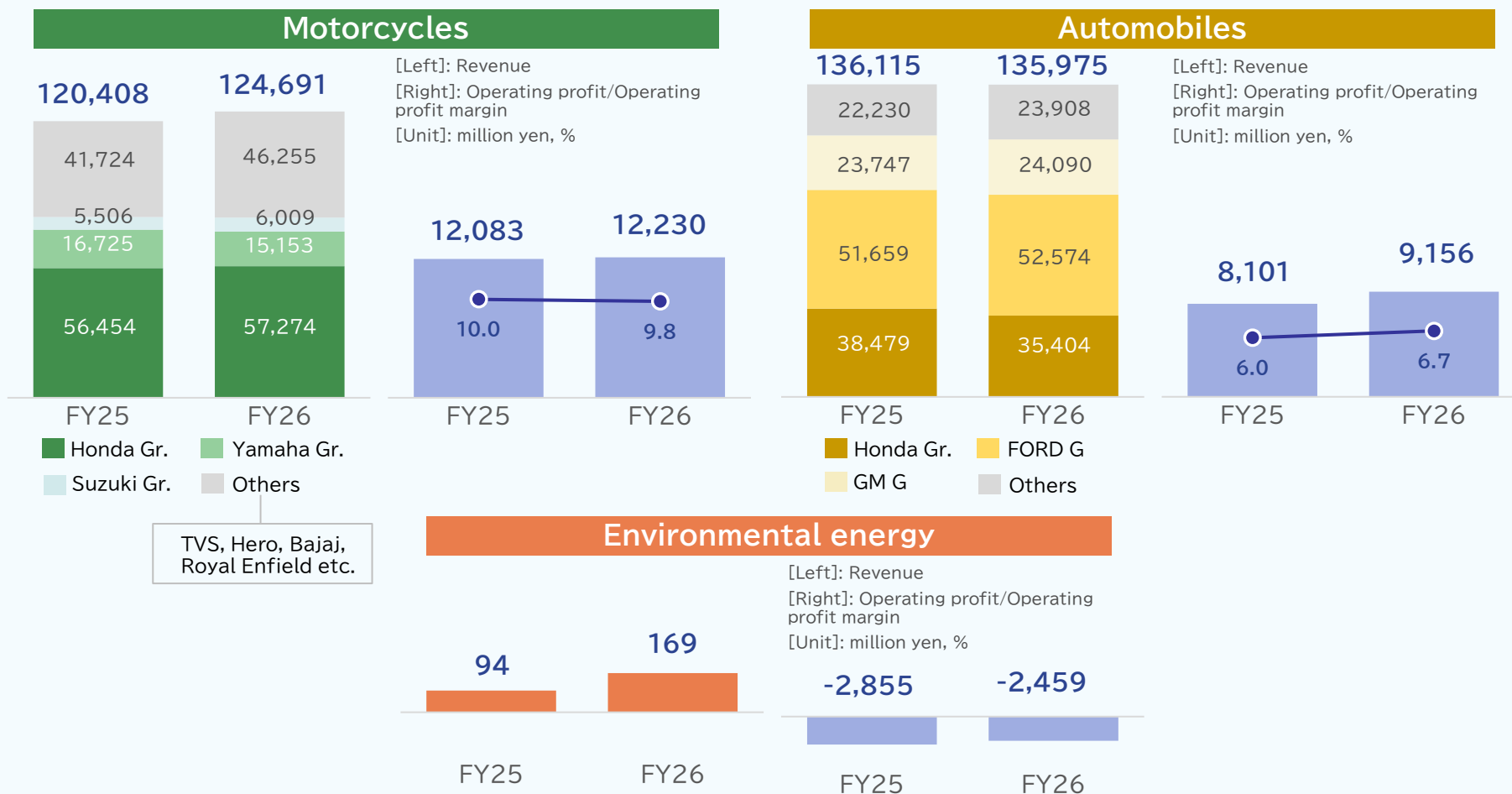
2-3 Analysis of Changes in Operating Profit (vs. Plan)

- [Factors for increased profits] Mainly sales fluctuations, changes in model mix
- [Factors for reduced profits] Mainly an increase in sales, general, and administrative expenses, and the effect of US tariffs



2-4 Revenue/Operating Profit by Business Segment

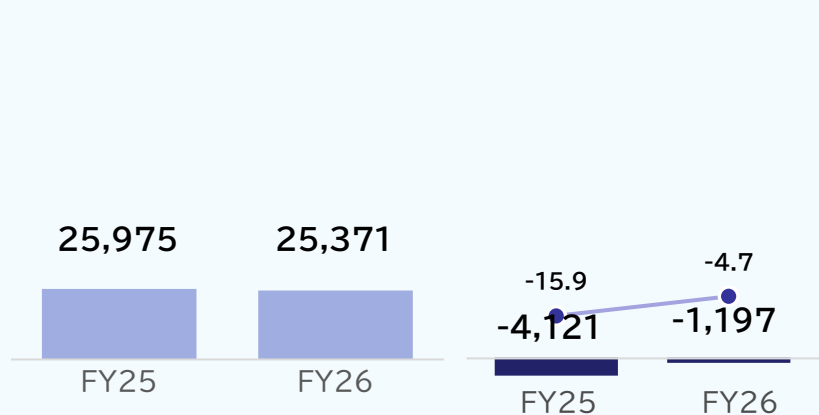
- [Motorcycle business] Revenue: 124,691 million yen, Operating profit: 12,230 million yen, Increased year on year
- [Automobile business] Revenue: 135,975 million yen, Operating profit: 9,156 million yen, Operating profit increased year on year



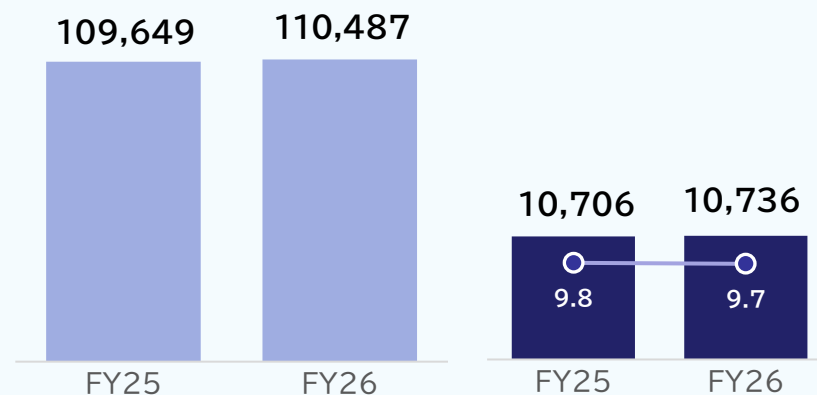
2-5 Revenue/Operating Profit by Geographical Segment

Japan

* For each region, [Left]: Revenue, [Right]: Operating profit/Operating profit margin, [Unit]: million yen,%

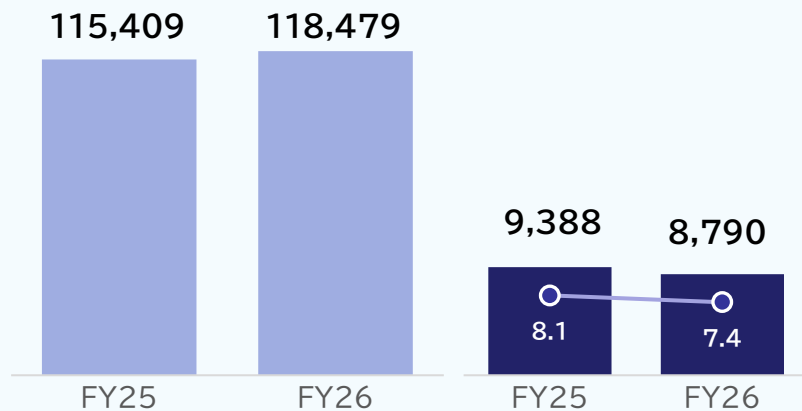


North America

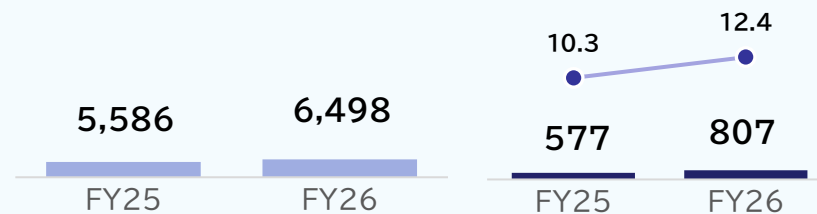


Asia

* For each region, [Left]: Revenue, [Right]: Operating profit/Operating profit margin, [Unit]: million yen,%



Others



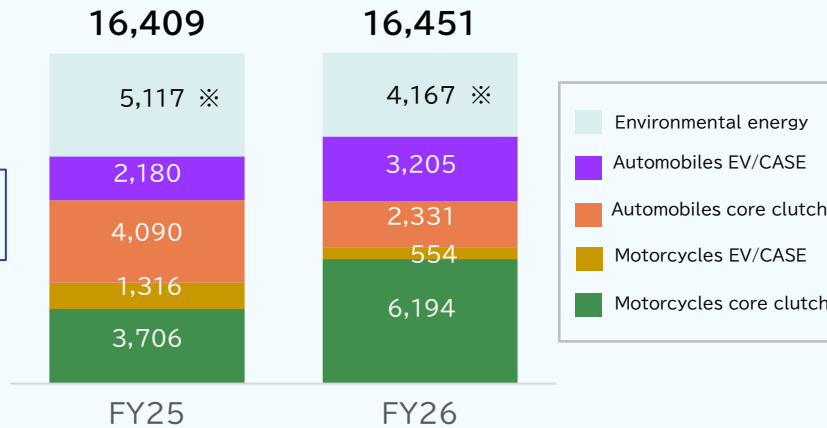
Capital Expenditures, Depreciation and Amortization and Research & Development Expense

2-6

* The unit for all is million yen

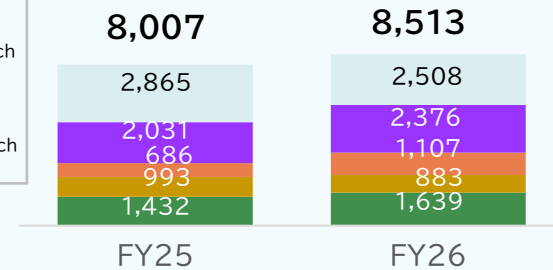
Business Segment

Capital Expenditures



Research & development expense

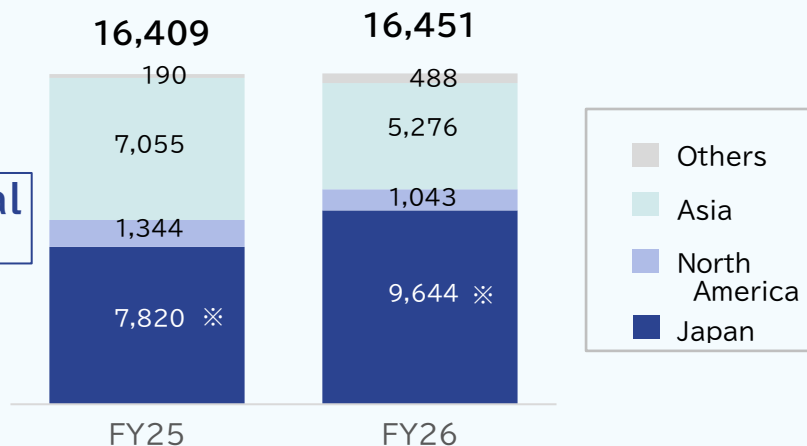
※Excluding depreciation of development assets



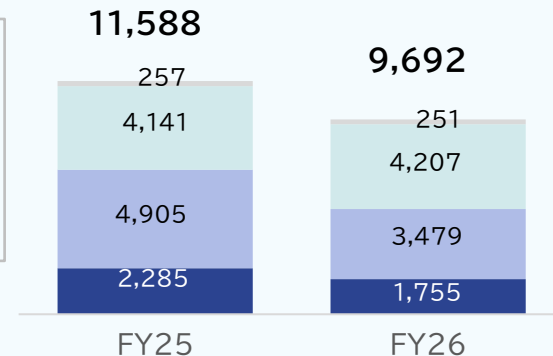
* Environmental energy facility investment includes investment in an office and development center of 2,181 million yen in FY25 and 3,757 million yen in FY26

Geographical Segment

Capital Expenditures



Depreciation and Amortization



* Japan capital expenditures include investments in office and development centers of 2,181 million yen in FY25 and 3,757 million yen in FY26.

2-7 Exchange Rates FY26

(Average rate during the period, yen)

Location	Currency	FY25 Results	FY26 Results	Change
U.S.	USD	152.58	150.78	-1.2%
Mexico	MXN	8.00	8.18	2.3%
Thailand	THB	4.38	4.68	6.8%
Indonesia	IDR	0.0095	0.0091	-4.3%
India	INR	1.81	1.71	-5.6%
China	CNY	21.11	21.25	0.7%
Brazil	BRL	27.27	27.77	1.8%
Taiwan	NTD	4.70	4.89	4.0%
Philippines	PHP	2.64	2.61	-1.2%
Vietnam	VND	0.00606	0.00578	-4.6%

2-8 FY26 Sales by Customer [Total]

(million yen)

	FY25 Results		FY26 Results		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	94,933	37.0%	92,678	35.5%	-2,255	-2.4%
YAMAHA Group	16,725	6.5%	15,153	5.8%	-1,572	-9.4%
SUZUKI Group	5,506	2.1%	6,009	2.3%	503	9.1%
KAWASAKI Group	2,780	1.1%	2,810	1.1%	30	1.1%
FORD	51,659	20.1%	52,574	20.2%	915	1.8%
GM	23,747	9.3%	24,090	9.2%	343	1.4%
ZF/STELLANTIS	10,081	3.9%	10,002	3.8%	-79	-0.8%
Kanematsu (Harley-Davidson, etc.)	5,866	2.3%	5,348	2.1%	-518	-8.8%
Others	45,322	17.7%	52,173	20.0%	6,851	15.1%
Total	256,619	100.0%	260,836	100.0%	4,217	1.6%
(Exchange rate effect)					(-4,427)	

2-9 FY26 Sales by Customer [Motorcycle business]

(million yen)

	FY25 Results		FY26 Results		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	56,454	46.9%	57,274	45.9%	820	1.5%
YAMAHA Group	16,725	13.9%	15,153	12.2%	-1,572	-9.4%
SUZUKI Group	5,506	4.6%	6,009	4.8%	503	9.1%
KAWASAKI Group	2,780	2.3%	2,810	2.3%	30	1.1%
Kanematsu (Harley-Davidson, etc.)	5,697	4.7%	5,180	4.2%	-517	-9.1%
Hero	5,492	4.6%	5,671	4.5%	179	3.3%
Bajaj	3,309	2.7%	3,848	3.1%	539	16.3%
TVS	7,513	6.2%	9,270	7.4%	1,757	23.4%
Others	16,933	14.1%	19,476	15.6%	2,543	15.0%
Total	120,409	100.0%	124,691	100.0%	4,282	3.6%
(Exchange rate effect)					(-3,243)	

2-10 FY26 Sales by Customer [Automobile business]

(million yen)

	FY25 Results		FY26 Results		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	38,479	28.3%	35,404	26.0%	-3,075	-8.0%
FORD	51,659	38.0%	52,574	38.7%	915	1.8%
GM	23,747	17.4%	24,090	17.7%	343	1.4%
ZF	5,882	4.3%	5,698	4.2%	-184	-3.1%
STELLANTIS	4,199	3.1%	4,304	3.2%	105	2.5%
Others	12,149	8.9%	13,906	10.2%	1,757	14.5%
Total	136,115	100.0%	135,975	100.0%	-140	-0.1%
(Exchange rate effect)					(-1,184)	

2-11 FY26 Breakdown of the Main Facility Investments

(million yen)

Business		Investment Amount	Details
Motor-cycles	ICE	6,194	Mainly enhancement of ICE production capacity in India
	CASE	554	Mainly laminated motors and power units in Indonesia and Vietnam
Auto-mobiles	ICE	2,331	Mainly facility maintenance and upgrades in North America
	CASE	3,205	Mainly laminated motor core equipment in Japan
Environmental energy		410	Automatic power generation equipment, etc.
Common		3,757	Office and development center investment
Facility investment total		16,451	

3. Consolidated Full-year Earnings Forecast for Fiscal Year Ending March 2027

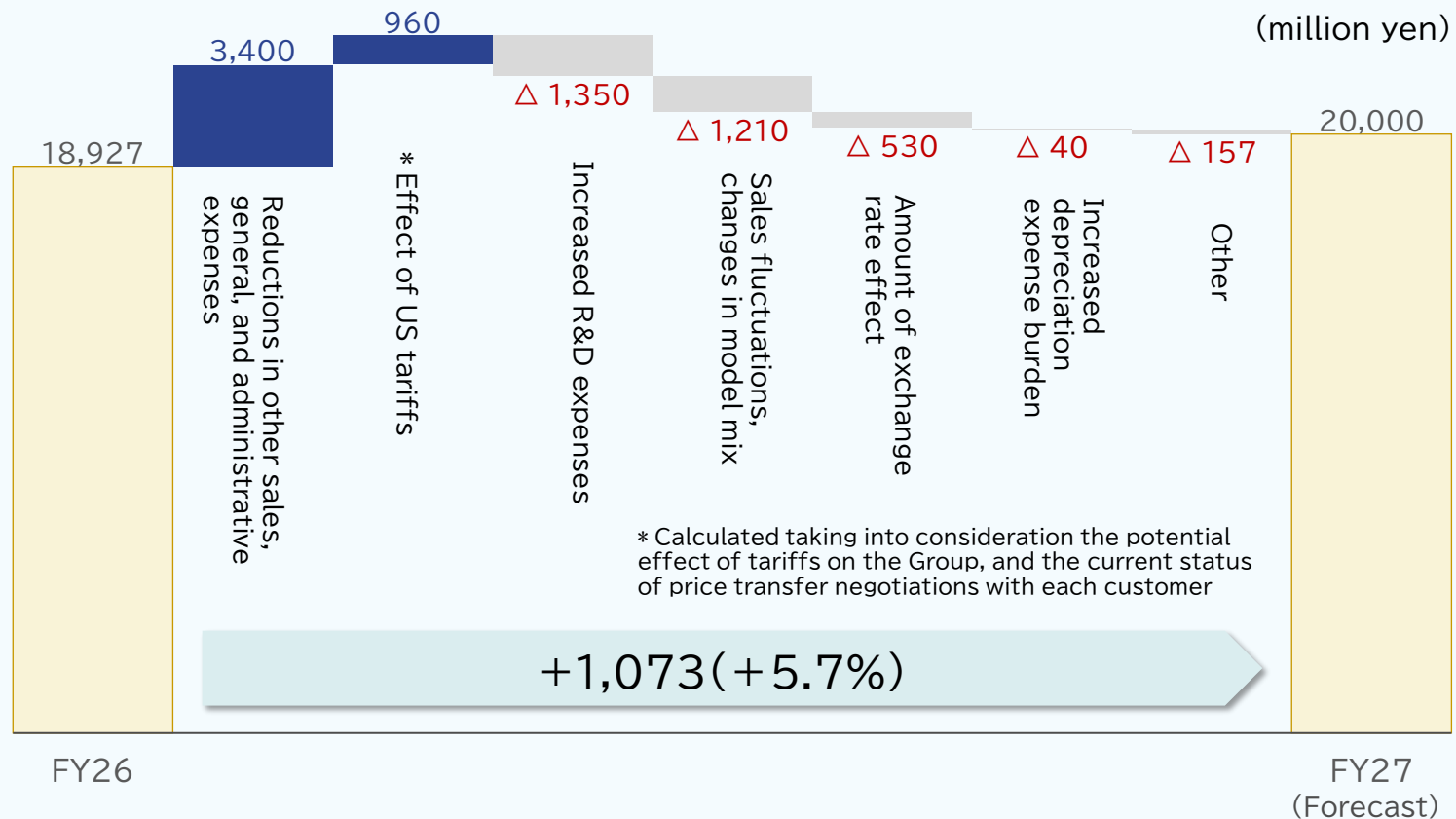
3-1 Consolidated Forecast Outline for FY27

- In the motorcycle business, sales increased in India and the Philippines, while in the automobile business, conservative plans of North American customers are reflected.

	FY26 Results	FY27 (Forecast)	Change (amount)	Change	(million yen) (Reference) Exchange rate effect
Revenue	260,836	260,000	-836	-0.3%	(-2,900)
Operating profit	18,927	20,000	1,073	5.7%	(-500)
Profit before income taxes	21,567	22,000	433	2.0%	
Profit	18,806	15,100	-3,706	-19.7%	
Profit attributable to owners of parent	18,760	15,000	-3,760	-20.0%	
Basic earnings per share (Yen)	387.36円	315.05円	-72.31円	-18.7%	
Average rate during the period	FY26 Result	FY27 (Forecast)		Change	
USD (Yen)	150.78	150.00		-0.78	

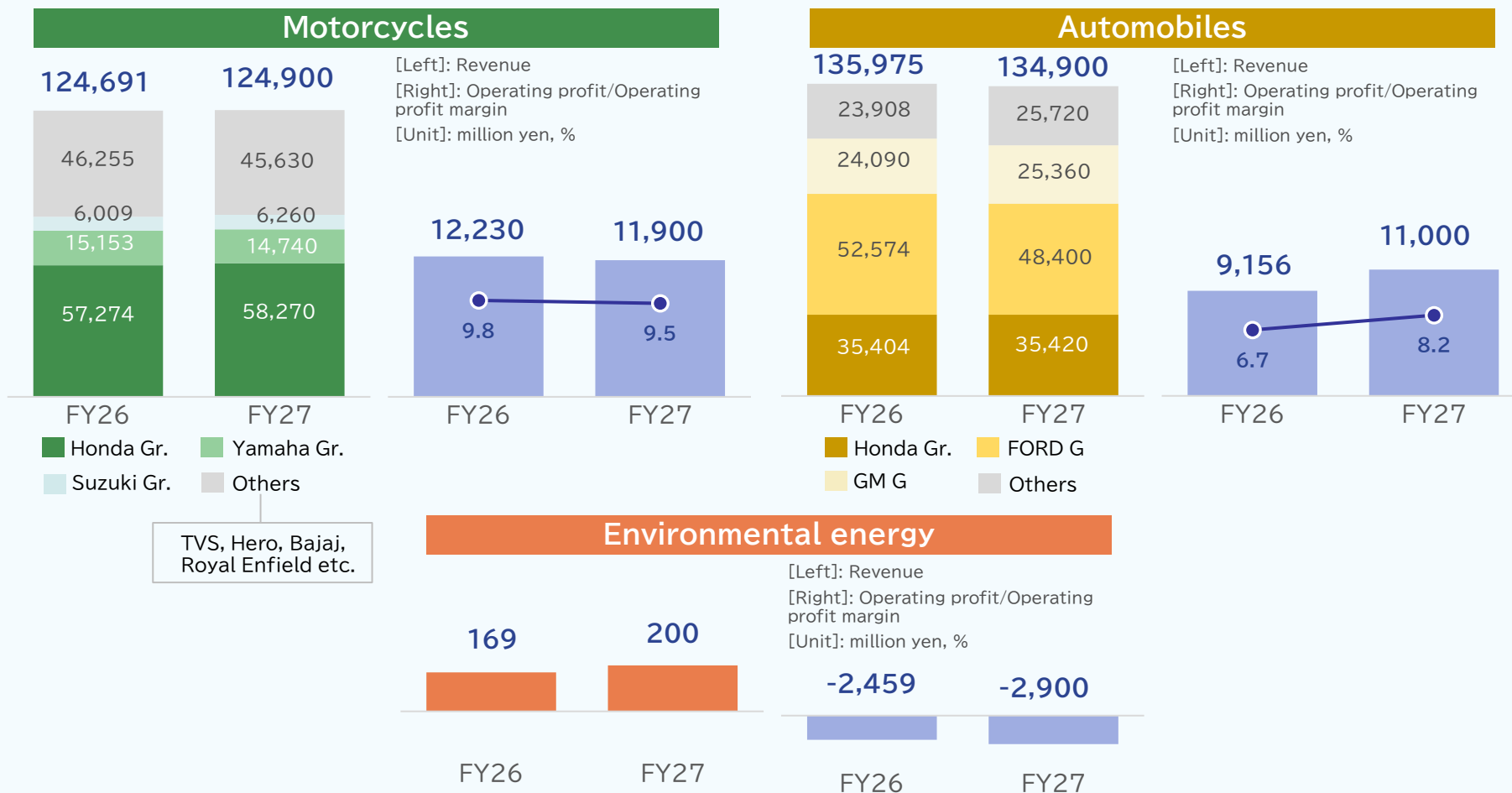
3-2 Forecast of Factors Affecting Changes in Operating Profit

- [Factors for increased profit] Mainly reduction in sales, general, and administrative expenses
- [Factors for reduced profits] Mainly an increase in R&D expenses, fluctuations in sales, and changes in model mix



3-3 Revenue/Operating Profit by Business Segment (FY27 Forecast)

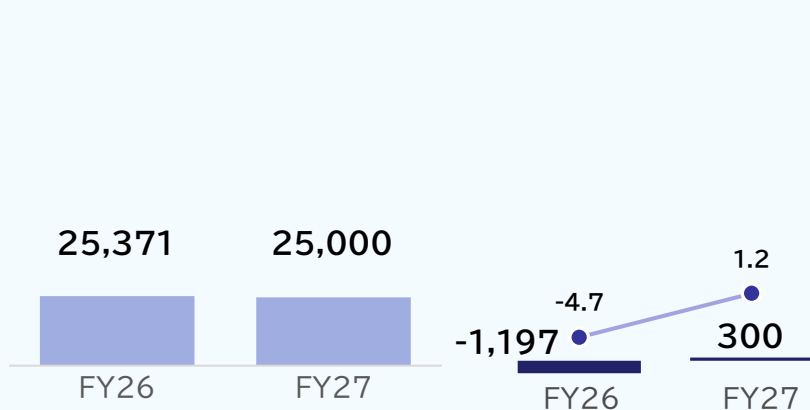
- [Motorcycle business] Revenue: 124,900 million yen, Operating profit: 11,900 million yen, Revenue increased year on year
- [Automobile business] Revenue: 134,900 million yen, Operating profit: 11,000 million yen, Operating profit increased year on year



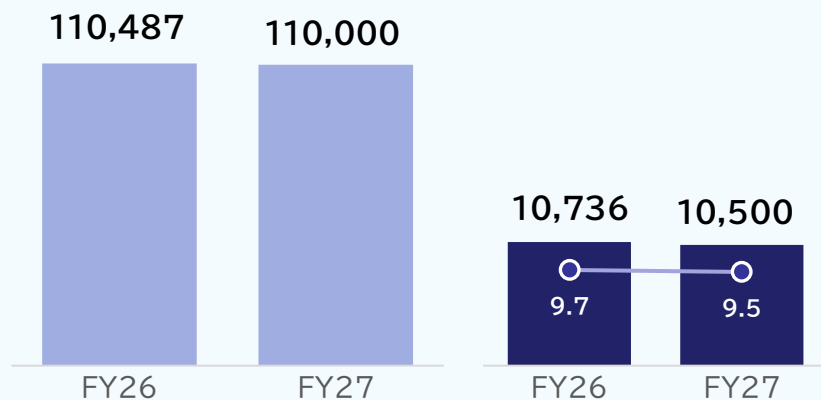
3-4 Revenue/Operating Profit by Geographical Segment (FY27 Forecast)

Japan

* For each region, [Left]: Revenue, [Right]: Operating profit/Operating profit margin, [Unit]: million yen, %

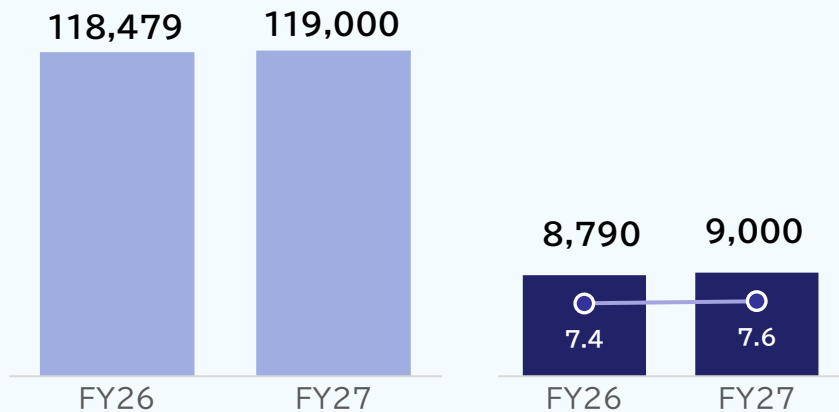


North America

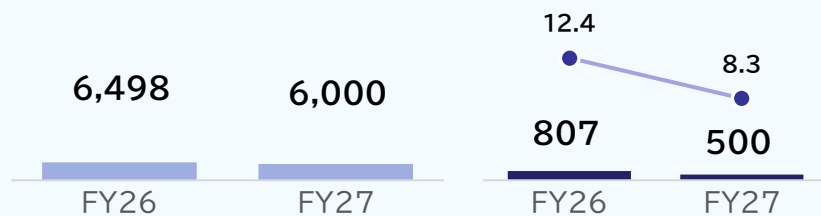


Asia

* For each region, [Left]: Revenue, [Right]: Operating profit/Operating profit margin, [Unit]: million yen, %



Others



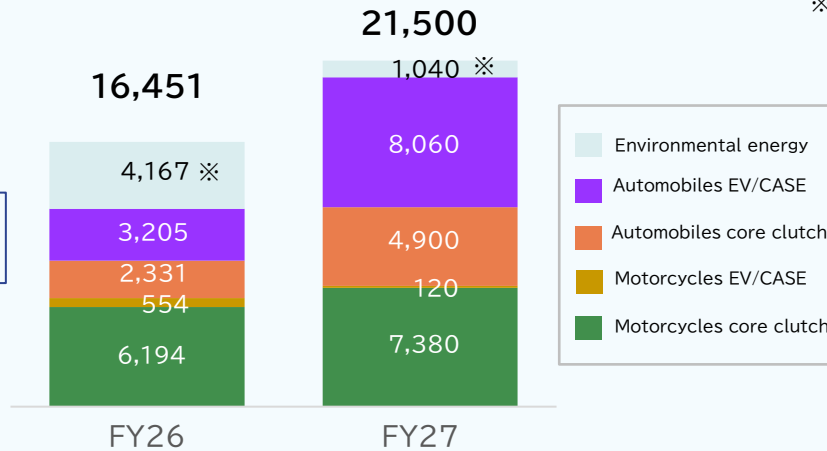
Capital Expenditures, Depreciation and Amortization and Research & Development Expense (FY27 Plan)

3-5

* The unit for all is million yen

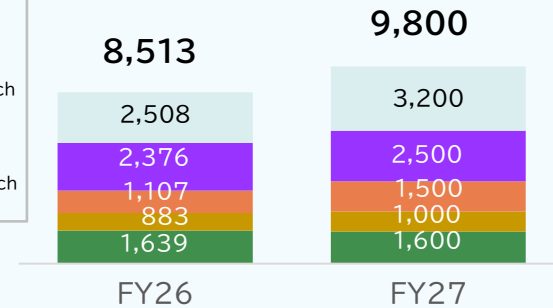
Business Segment

Capital Expenditures



Research & development expense

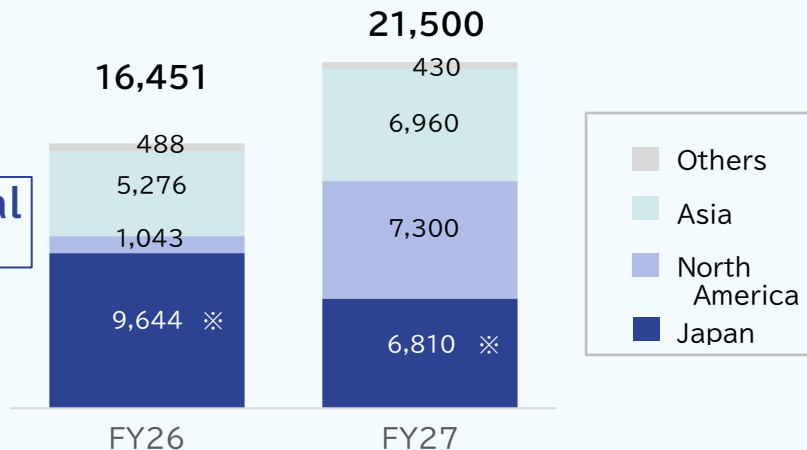
※Excluding depreciation of development assets



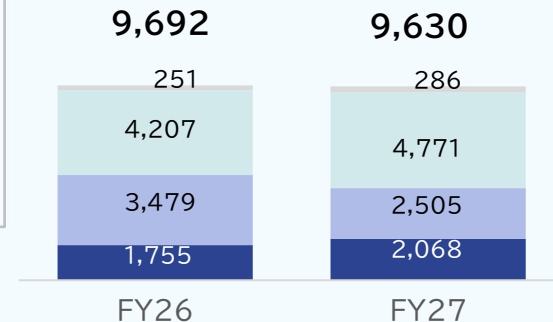
* Environmental energy facility investment includes investment in an office and development center of 3,757 million yen in FY26 and 600 million yen in FY27

Geographical Segment

Capital Expenditures



Depreciation and Amortization



* Japan capital expenditures include investments in office and development centers of 3,757 million yen in FY26 and 600 million yen in FY27.

3-6 Exchange Rates FY27

(Average rate during the period, yen)

Location	Currency	FY26 Results	FY27 Forecast	Change
U.S.	USD	150.78	150.00	-0.5%
Mexico	MXN	8.18	8.37	2.3%
Thailand	THB	4.68	4.57	-2.4%
Indonesia	IDR	0.0091	0.0089	-2.2%
India	INR	1.71	1.64	-4.1%
China	CNY	21.25	21.70	2.1%
Brazil	BRL	27.77	28.70	3.3%
Taiwan	NTD	4.89	4.77	-2.5%
Philippines	PHP	2.61	2.49	-4.6%
Vietnam	VND	0.00578	0.00572	-1.0%

3-7 FY27 Sales by Customer [Total]

(million yen)

	FY26 Results		FY27 Forecast		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	92,678	35.5%	93,690	36.0%	1,012	1.1%
YAMAHA Group	15,153	5.8%	14,740	5.7%	-413	-2.7%
SUZUKI Group	6,009	2.3%	6,260	2.4%	251	4.2%
KAWASAKI Group	2,810	1.1%	2,480	1.0%	-330	-11.7%
FORD	52,574	20.2%	48,400	18.6%	-4,174	-7.9%
GM	24,090	9.2%	25,360	9.8%	1,270	5.3%
ZF/STELLANTIS	10,002	3.8%	11,860	4.6%	1,858	18.6%
Kanematsu (Harley-Davidson, etc.)	5,348	2.1%	4,940	1.9%	-408	-7.6%
Others	52,173	20.0%	52,270	20.1%	97	0.2%
Total	260,836	100.0%	260,000	100.0%	-836	-0.3%
(Exchange rate effect)					(-2,900)	

3-8 FY27 Sales by Customer [Motorcycle business]

(million yen)

	FY26 Results		FY27 Forecast		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	57,274	45.9%	58,270	46.7%	996	1.7%
YAMAHA Group	15,153	12.2%	14,740	11.8%	-413	-2.7%
SUZUKI Group	6,009	4.8%	6,260	5.0%	251	4.2%
KAWASAKI Group	2,810	2.3%	2,480	2.0%	-330	-11.7%
Kanematsu (Harley-Davidson, etc.)	5,180	4.2%	4,730	3.8%	-450	-8.7%
Hero	5,671	4.5%	5,740	4.6%	69	1.2%
Bajaj	3,848	3.1%	4,270	3.4%	422	11.0%
TVS	9,270	7.4%	9,010	7.2%	-260	-2.8%
Others	19,476	15.6%	19,400	15.5%	-76	-0.4%
Total	124,691	100.0%	124,900	100.0%	209	0.2%
(Exchange rate effect)					(-2,700)	

3-9 FY27 Sales by Customer [Automobile business]

(million yen)

	FY26 Results		FY27 Forecast		Change (amount)	Change
	Revenue	Ratio	Revenue	Ratio		
HONDA Group	35,404	26.0%	35,420	26.3%	16	0.0%
FORD	52,574	38.7%	48,400	35.9%	-4,174	-7.9%
GM	24,090	17.7%	25,360	18.8%	1,270	5.3%
ZF	5,698	4.2%	5,960	4.4%	262	4.6%
STELLANTIS	4,304	3.2%	5,900	4.4%	1,596	37.1%
Others	13,906	10.2%	13,860	10.3%	-46	-0.3%
Total	135,975	100.0%	134,900	100.0%	-1,075	-0.8%
(Exchange rate effect)					(-200)	

3-10 Breakdown of Major Capital Expenditures (FY27 Outlook)

(million yen)

Business		Investment Amount	Description
Motor-cycles	ICE	7,380	Mainly enhancement of ICE production capacity in India
	CASE	120	Mainly electric core component facilities in India
Auto-mobiles	ICE	4,900	Mainly enhancement of production capacity in North America and Japan
	CASE	8,060	Mainly laminated motor core facilities, etc., in North America and Japan
Environmental energy		440	Investments in environmental energy
Common		600	Office and development center investment
Facility investment total		21,500	

4. 13th Medium-term Management Plan
(FY2027 to FY2031)


4-1 Summary of the 12th Medium-term Management Plan (Evaluation of Qualitative Aspects)

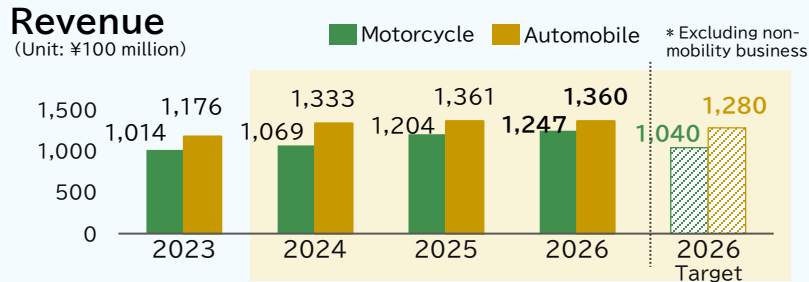
- Strengthening the business foundation is progressing as planned
- Business portfolio transformation involves partially moving into the mass production preparation phase while continuing with the preparation phase

Companywide Strategy	Category	Main Progress and Initiatives	Rating
Strengthening the business foundation	Motorcycle business (Core clutch)	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Introduction of 100% CO₂-free electricity (Japan, Philippines, Brazil) - 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 proprietary e-Axle for Vietnamese electric motorcycle manufacturer DAT BIKE - India and Indonesia: Started mass production of laminated motor cores 	○
	Automobile business (EV/CASE)	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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 	△

4-2 Summary of the 12th Medium-term Management Plan (Evaluation of Quantitative Aspects)

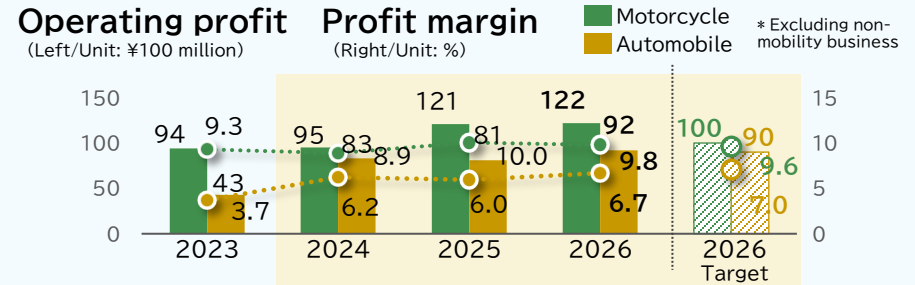
- In the final year of the 12th Medium-Term Management Plan, the financial targets were achieved
- Overall, the improvement in cash generation capacity of core businesses has strengthened the management foundation

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



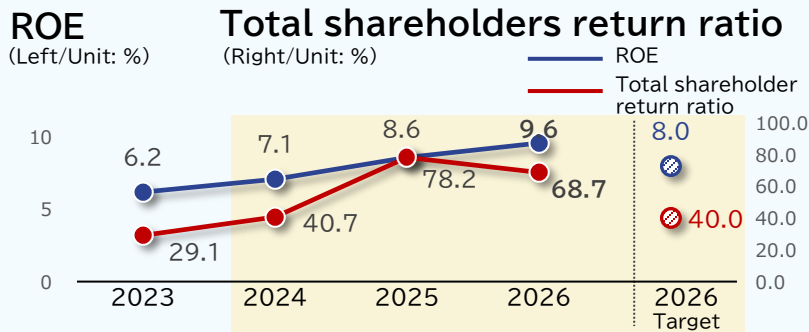
Motorcycle Clutches, the core business, is growing by capturing the rapidly growing Indian market

Automobile 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

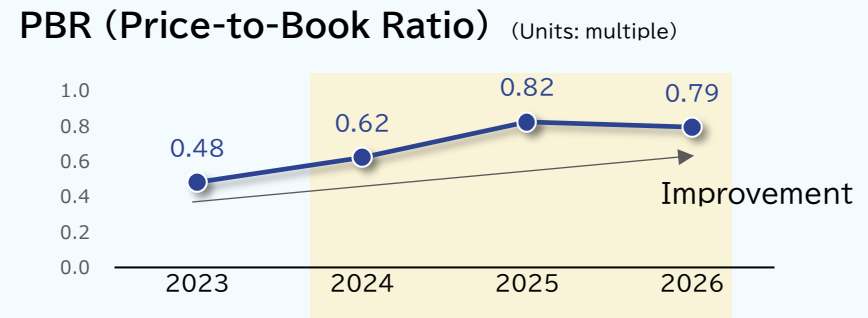


Motorcycle In addition to sales growth, profitability has improved due to the introduction of high-value-added products and the expansion of aftermarket parts

Automobile 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



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.

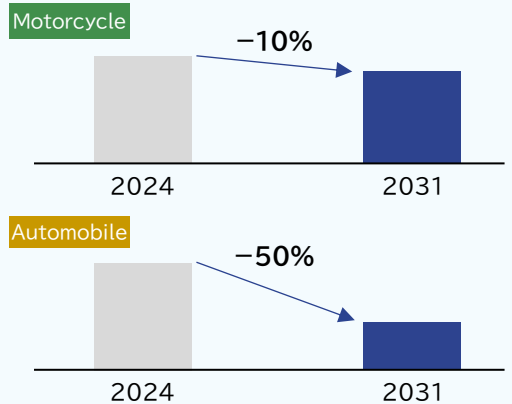


The PBR has improved from 0.48 in FY2023. To achieve PBR above 1.0, we will further enhance our IR activities, including disseminating performance forecasts and information on our medium-term management plan

4-3 Changes in the External Environment, Current Situation, and Our Response

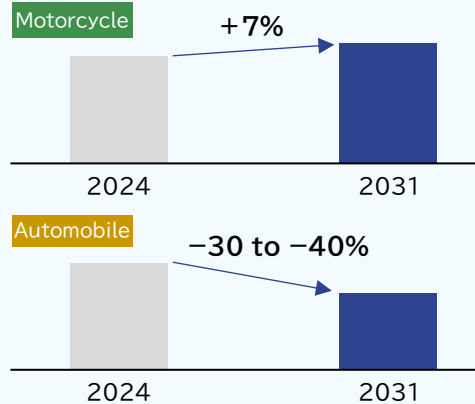
- The Clutch business environment is changing rapidly due to the external environment (sales assumptions have changed significantly since the formulation of the 12th Medium-Term Management Plan)
- In such an environment, we respond flexibly
 - Motorcycles business: Capturing growth in the Indian market,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

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



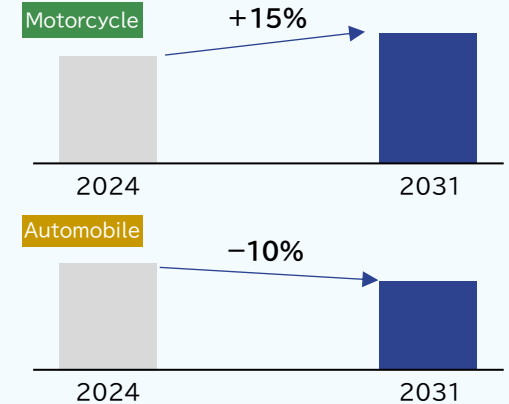
- Motorcycle business 10% reduction
- Automobile business 50% reduction
- An overall decrease of 30% is anticipated

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

4-4 Summary of the 12th Medium-term Management Plan (Issues to be Resolved)

□ 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)	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - Expanding business starting in India and Vietnam - Proactive use of M&A and alliances
	Automobile business (EV/CASE)	<ul style="list-style-type: none"> - Laminated motor core business expansion - Business expansion utilizing core technologies in thermal management products, aluminum, press forming, and joining dissimilar materials
	Non-mobility business	<ul style="list-style-type: none"> - Establishment of an environmental energy business based on paper and function materials, sowing the seeds for growth areas, and making decisions on commercialization

— 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

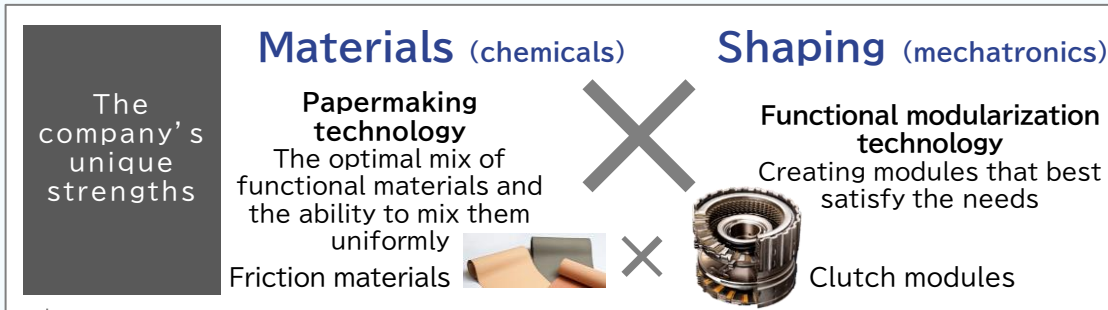
Towards a more livable and prosperous society



- 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

4-6 Our Core Competence and Expansion of Business Areas



Providing new added value to customers

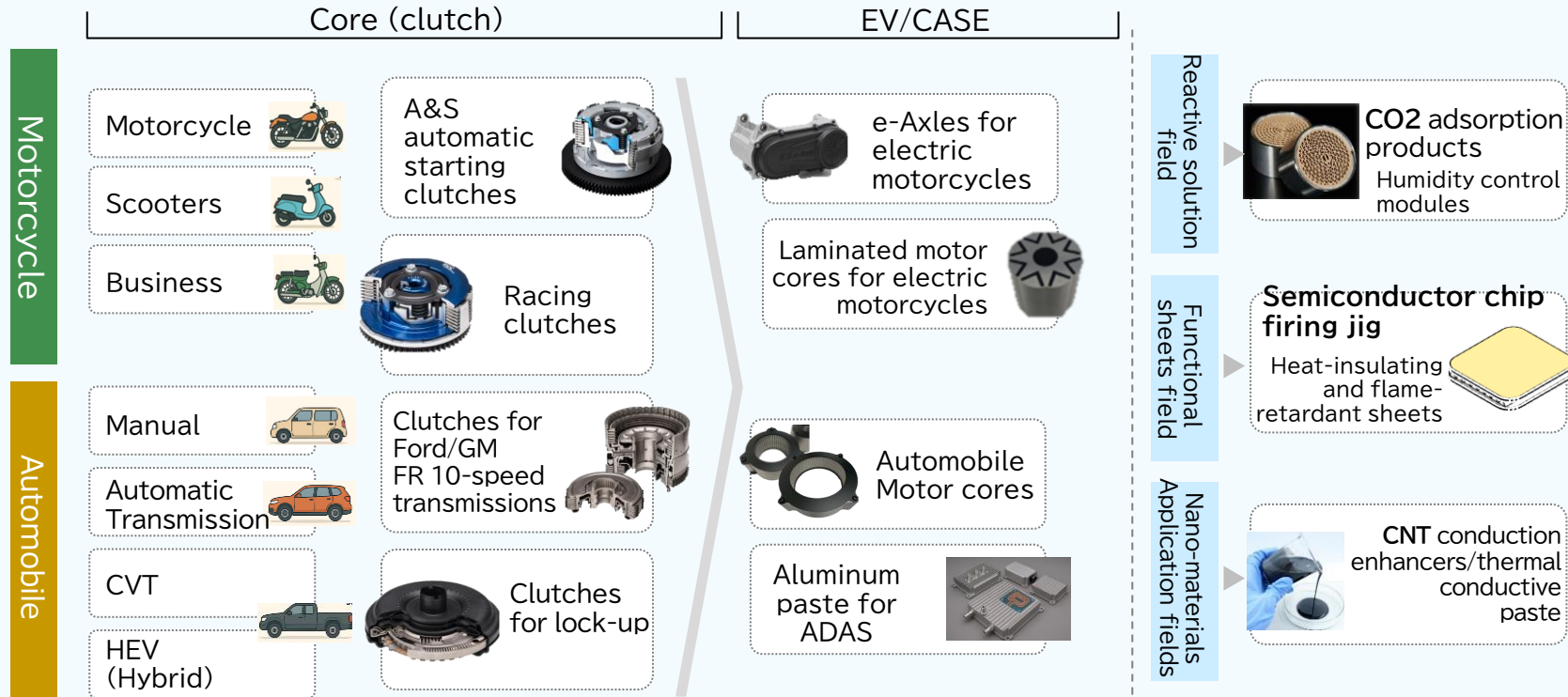
- Solving society's problems utilizing the environmental energy business



Mobility business

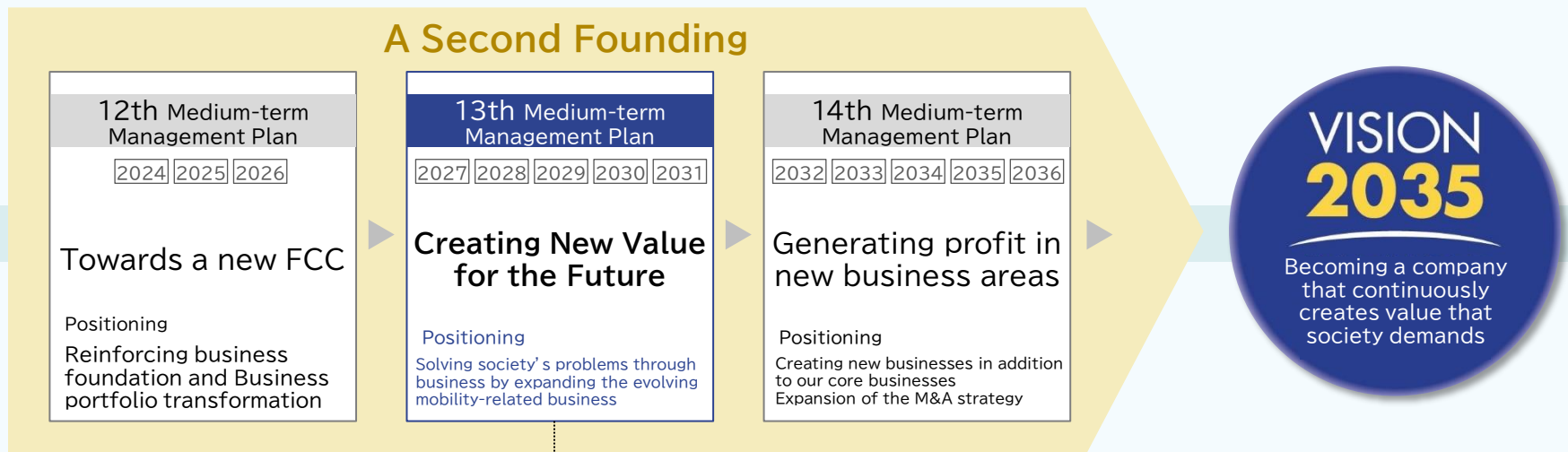


Environmental energy business



4-7 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



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

4-8 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



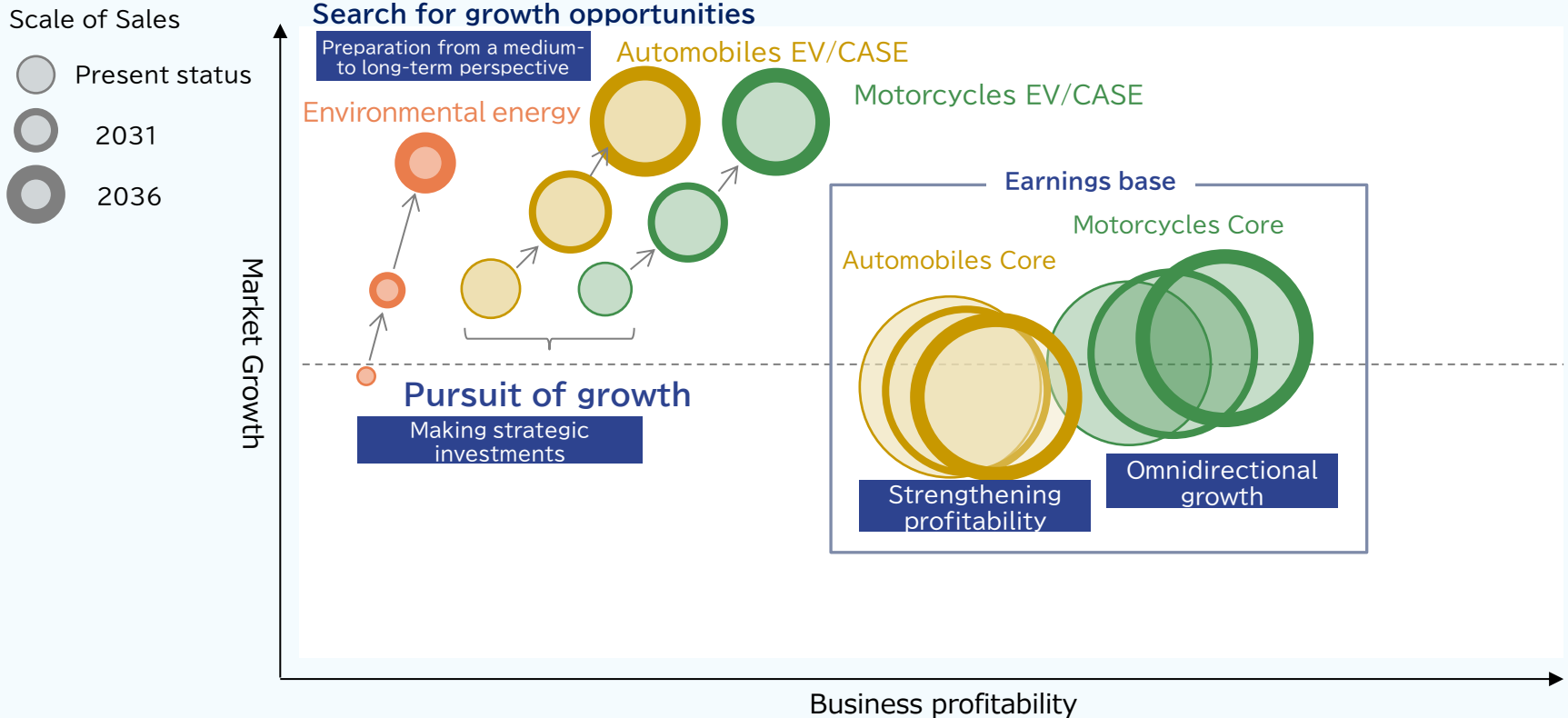
— Key Strategies





Clarifying the Positioning of Each Business and Promoting the Optimal Strategy

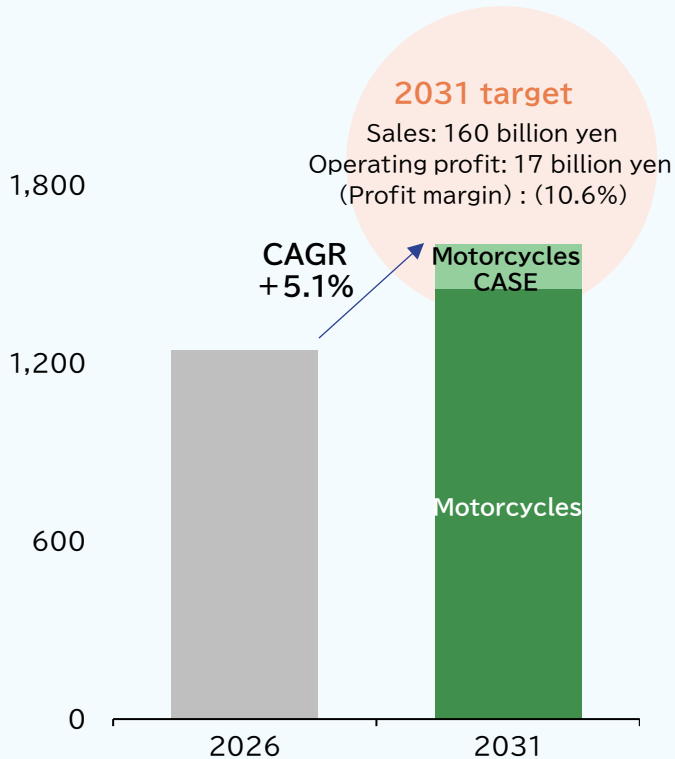
- Motorcycles Core** Utilizing our potential to the maximum. Growth across all regions and fields
- Automobiles Core** In preparation for structural changes in 2031 and beyond, we will strengthen our profitability and become a cash cow
- Motorcycles, automobiles EV/CASE** We will pursue growth through 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



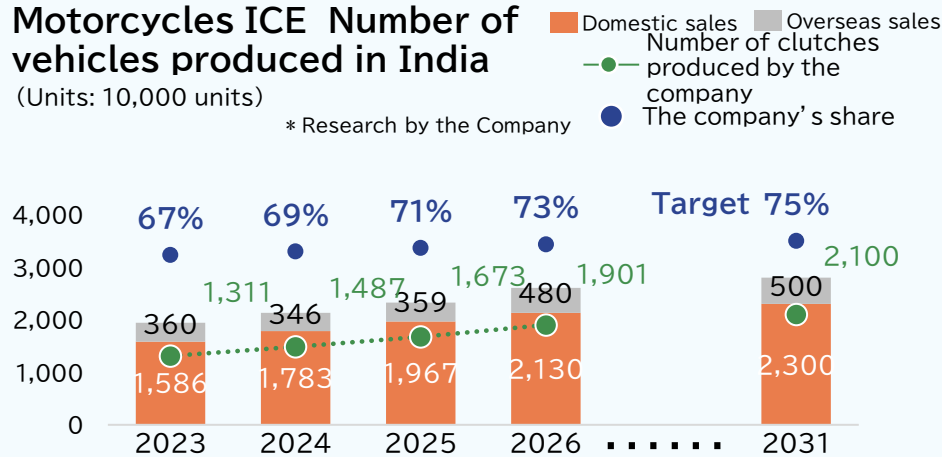
India Strategy

- 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

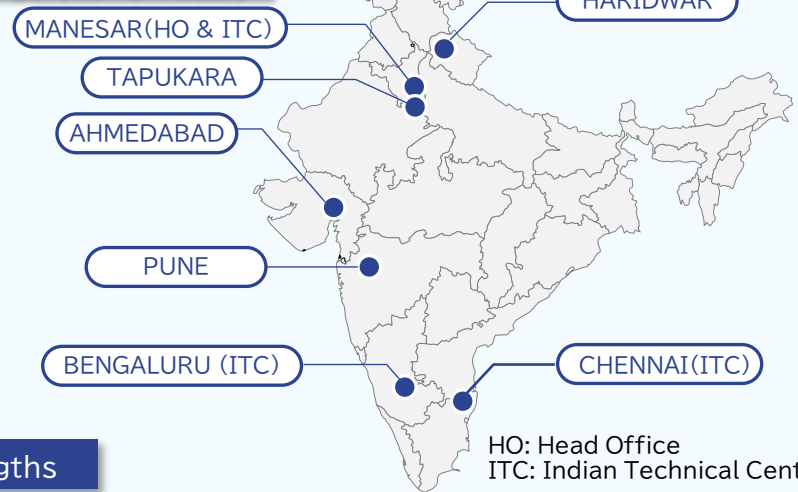
Motorcycles ICE Number of vehicles produced in India

(Units: 10,000 units)

* Research by the Company



Present Production and Development Bases



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



Strategy for Each Region

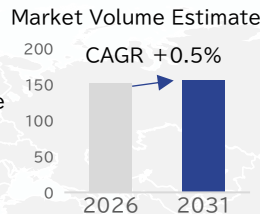
- Maintaining sales in core businesses (maintaining market share through fuel-efficient technology development)
- Expanding sales and stabilizing mass production in EV/CASE-related businesses
- Promoting automation and strengthening the development of national talent in each country to lead next-generation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



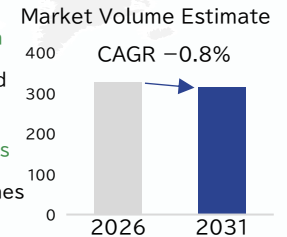
[ICE] Virtually flat
 ➔ Develop low fuel consumption technologies to increase market share
[EV/CASE] Low growth rate, but a gradual upward trend
 ➔ Explore EV/CASE-related products



Vietnam



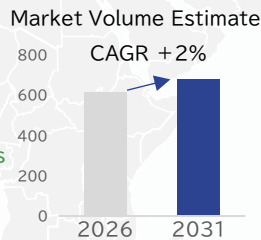
[ICE] Forecast to be about 30% reduction in 2031 from 2026
 ➔ Automated production lines, in-house mold making, etc.
 Initiatives to secure profits
[EV/CASE] Forecast to be 1.5 million vehicles in 2031
 ➔ Consider installation of motor assembly lines
 Expand sales and production of EV/CASE-related parts



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



Philippines



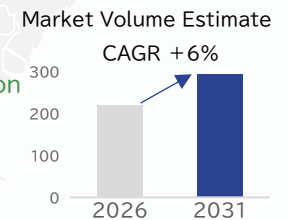
[ICE] Continued expansion
 ➔ Expand sales of clutch products to target the growing market



Brazil



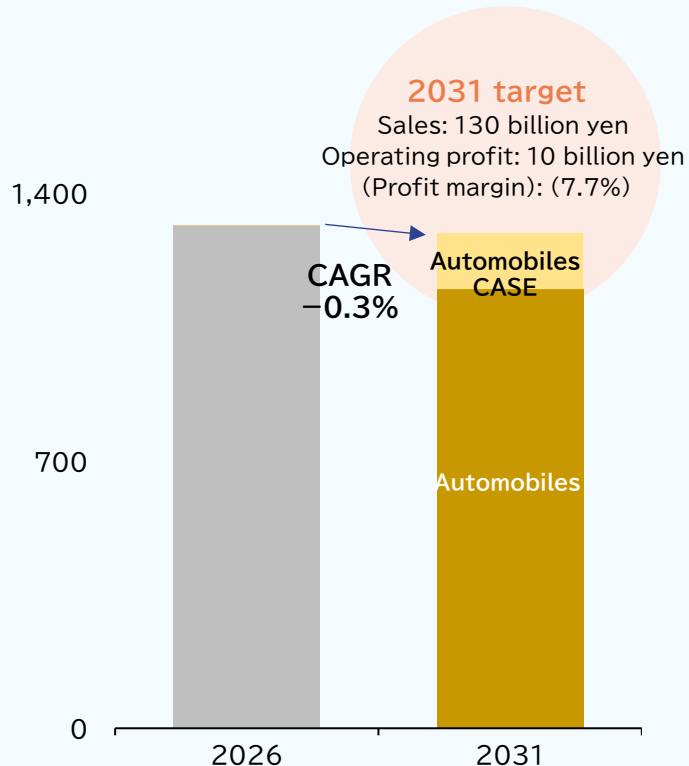
[ICE] Continued expansion
 ➔ Expand sales of clutch products to target the growing market





- 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



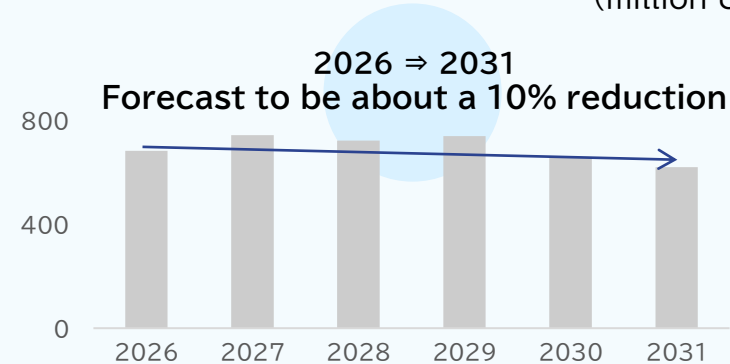
North America Strategy

- 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



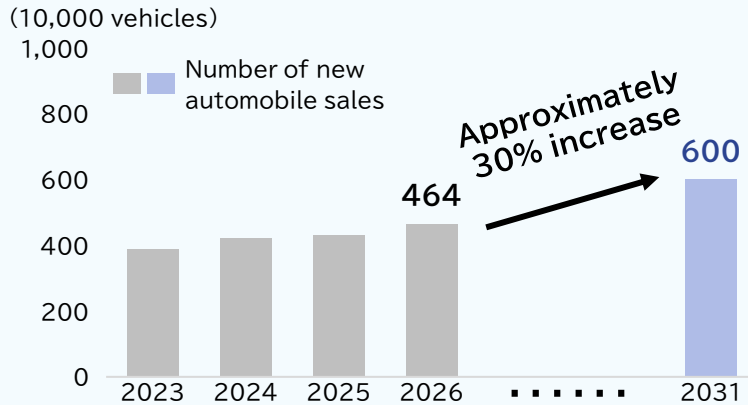
India Strategy

□ 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

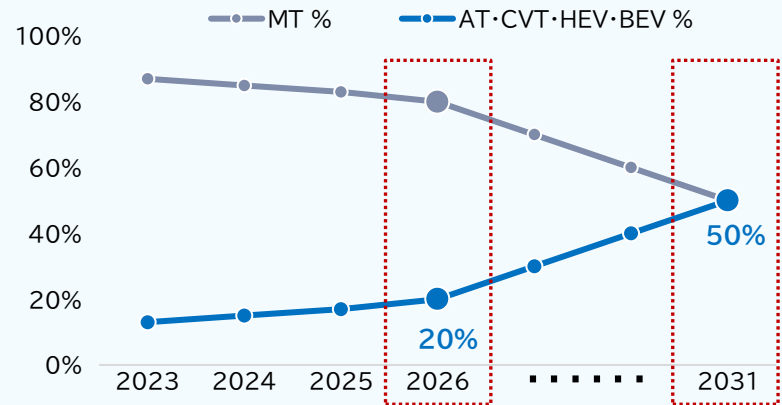
* Research by the Company



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



Utilization of our motorcycle production infrastructure in India

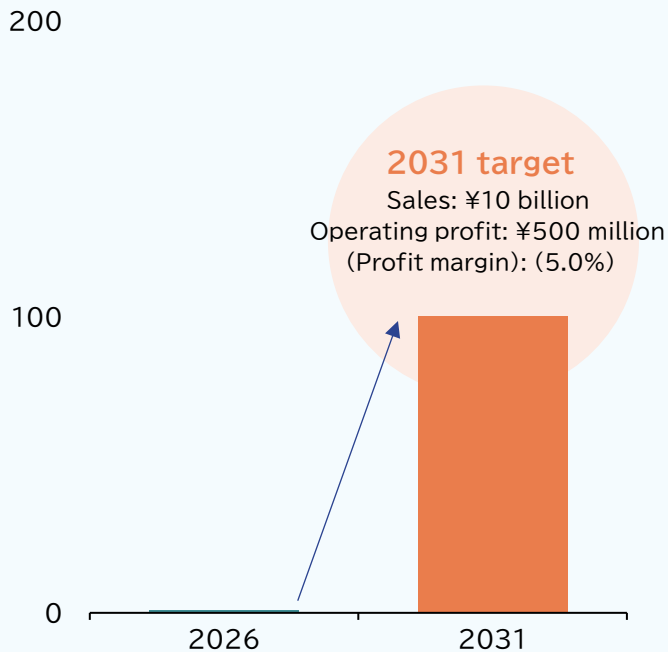


We will determine the market needs, accelerate localization, and expand our automobile business in India



- 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

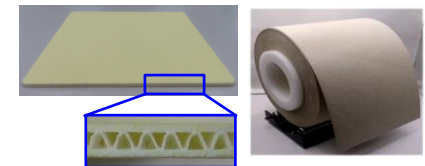
— Reactive solution field

- 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

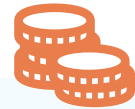


— Nano-materials application fields

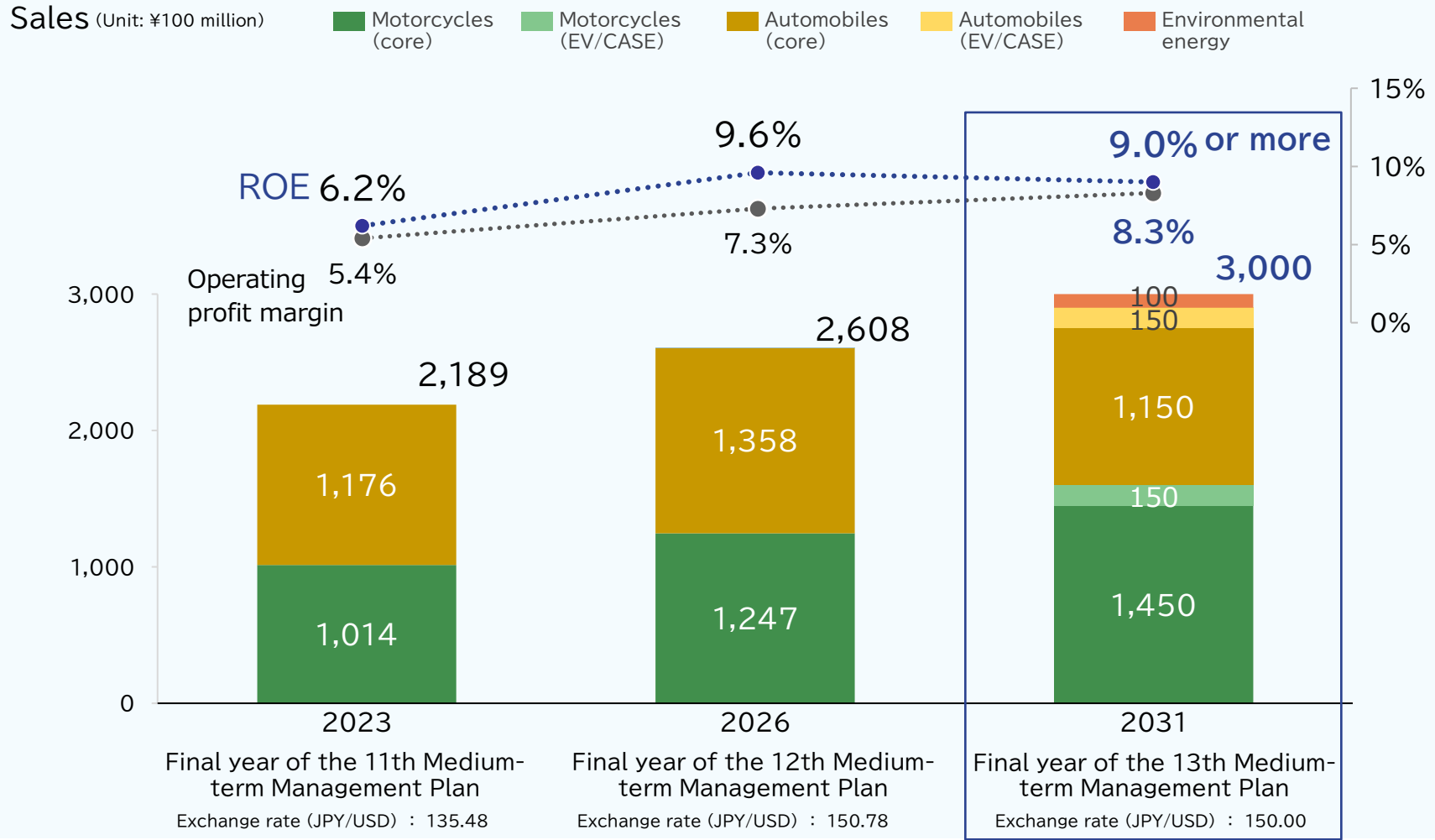
- Achieving mass production and expanding sales of CNT-related products targeting growth markets such as batteries and power semiconductors
- Development and commercialization of shaping technology for thermal management components



4-17 13th Medium-term Management Plan Setting Financial Targets



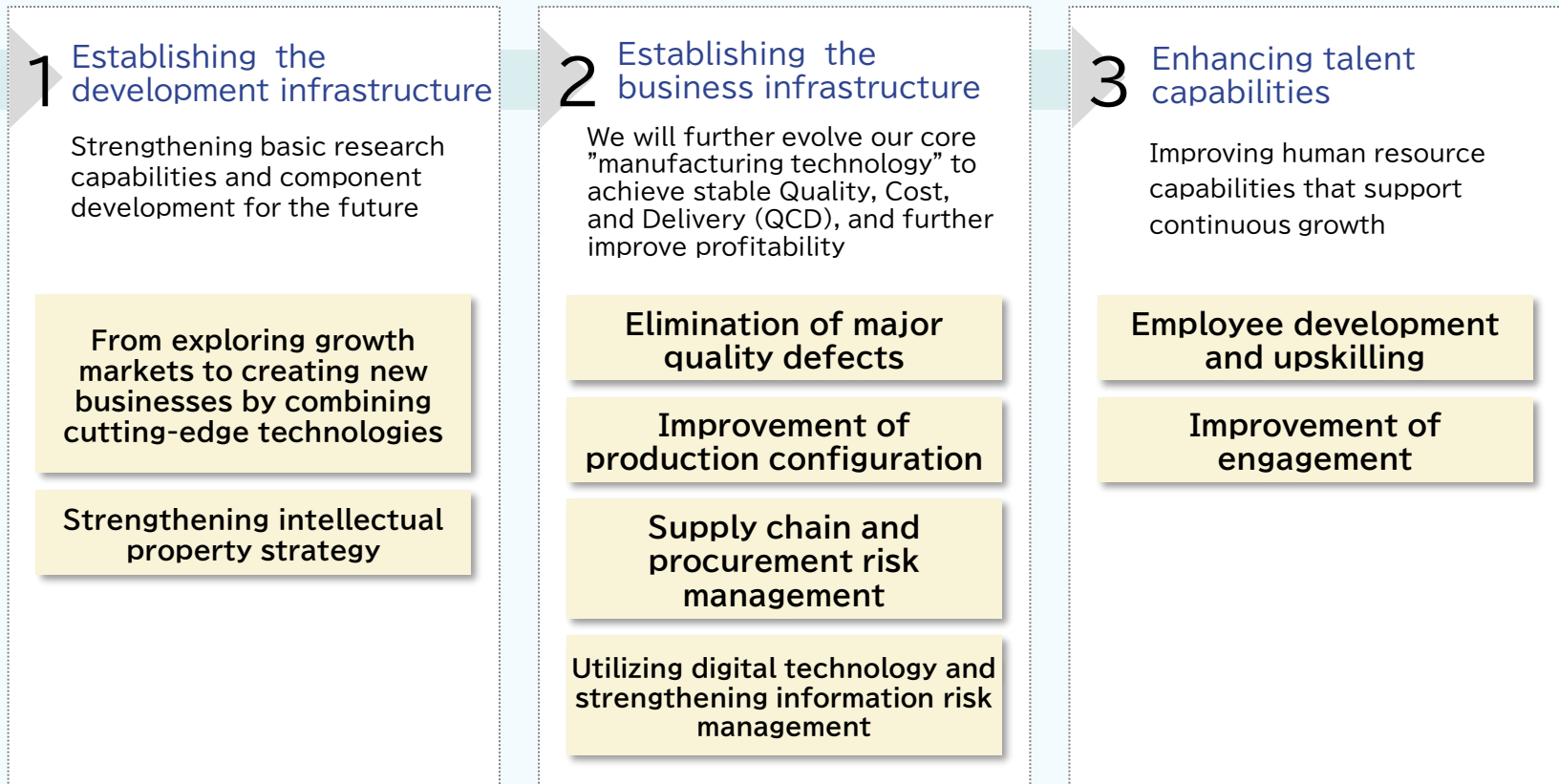
□ To achieve continuous growth, we will strategically utilize the funds generated under the 13th Medium-term Management Plan, and set a financial target ROE of 9.0% or higher for FY2031 (the final year of the 13th Medium-term Management Plan)





- 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

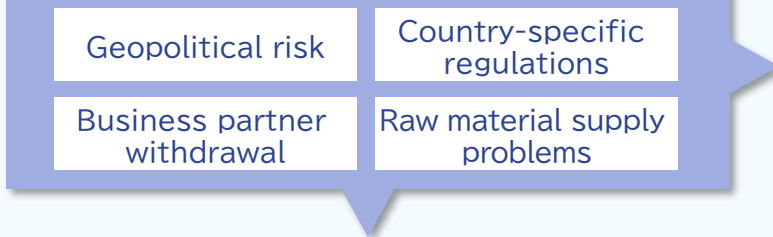




- Transform the supply chain function from a purchasing function to a function that creates a competitive advantage and protects supply
We aim to build an uninterrupted supply chain that achieves both global optimization and stable supply

Changes in the situation regarding supply chain risk management

Expansion of supply chain risk scope and depth



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



Business continuity risks are increasing

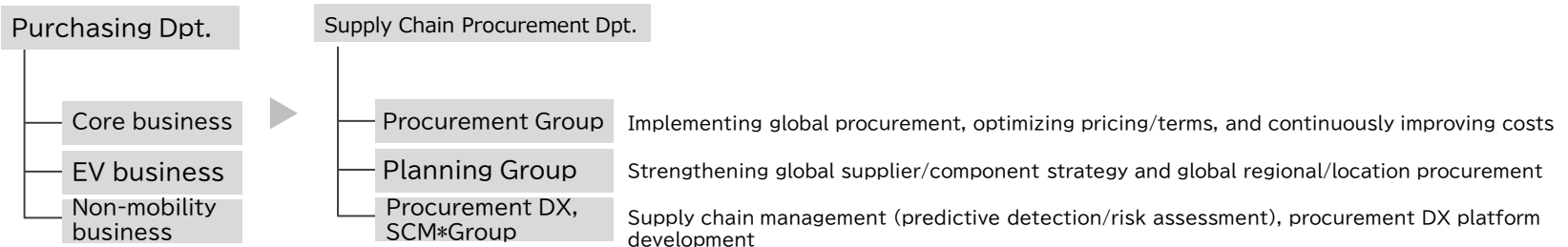
To achieve the goals of the 13th Medium-term Management Plan, **we will build a globally optimized system (a system that considers both competitiveness and risk)**

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



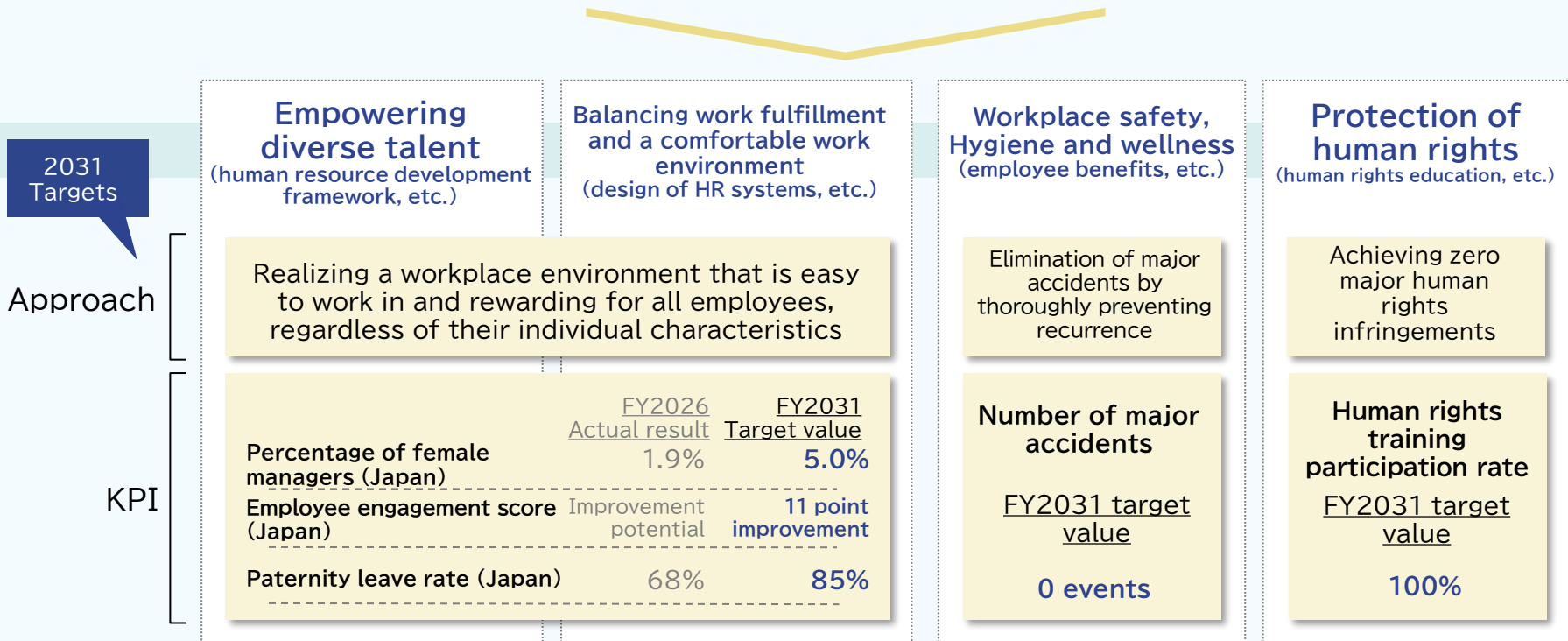
*Procurement Digital Transformation and Supply Chain Management



□ **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**





- 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

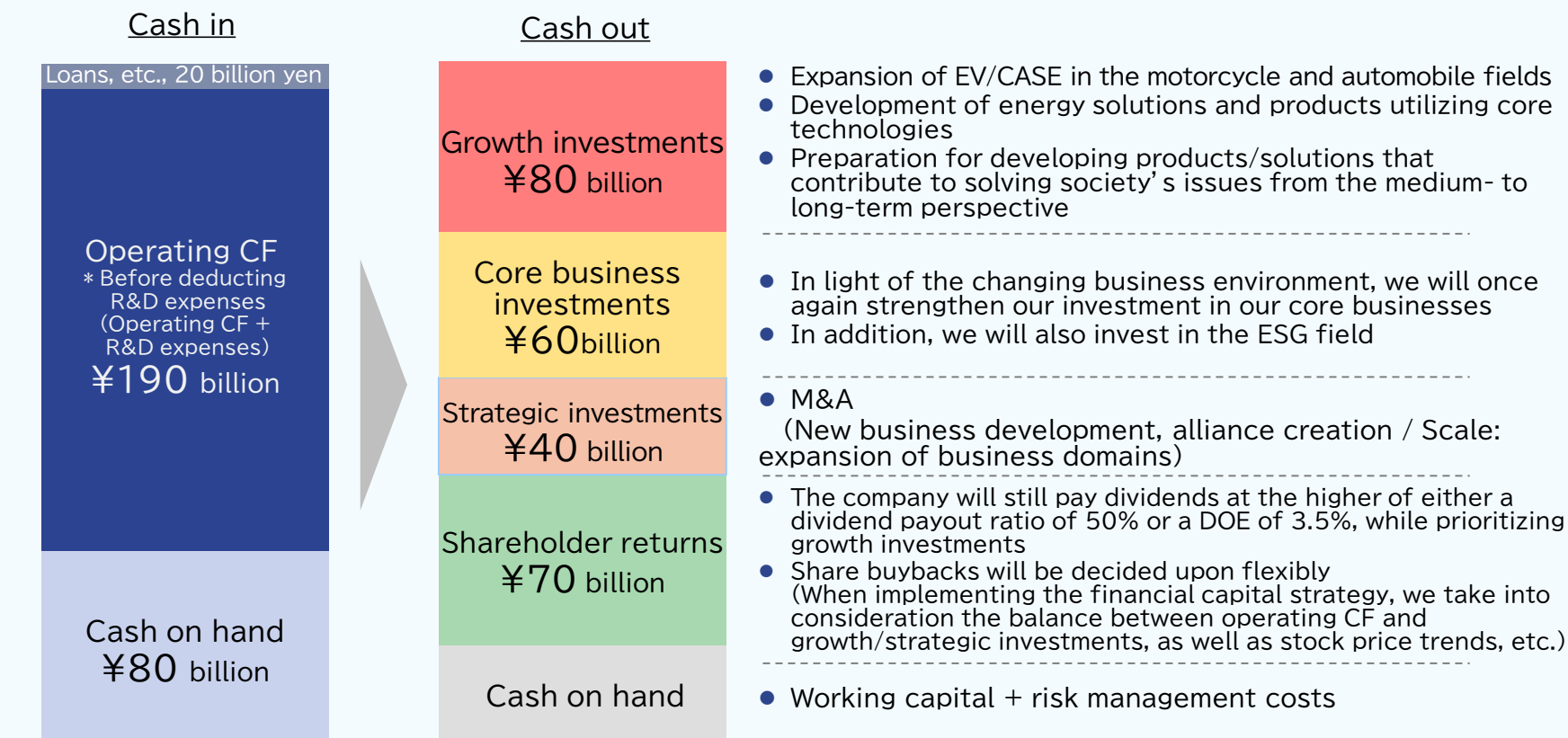
Active
disclosure of
our growth
story
(strengthening
IR activities)

Streng-
thening
human
capital to
drive
growth

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



- 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



4-23 13th Medium-term Management Plan Target Shareholder Returns



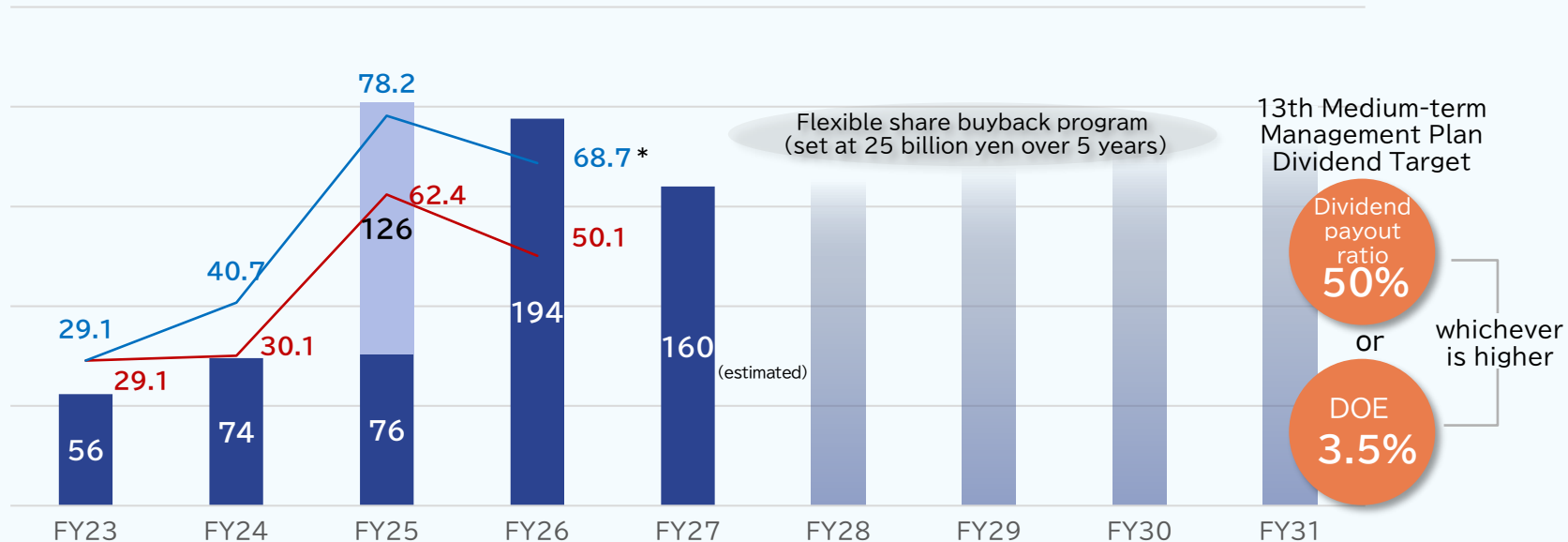
Financial and Capital Policies to Maximize Corporate Value

□ 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.

Ordinary dividend per share (Units: yen) / Special dividend per share (Units: yen) / Dividend payout ratio (Units: %) / Total shareholders return ratio (Units: %)



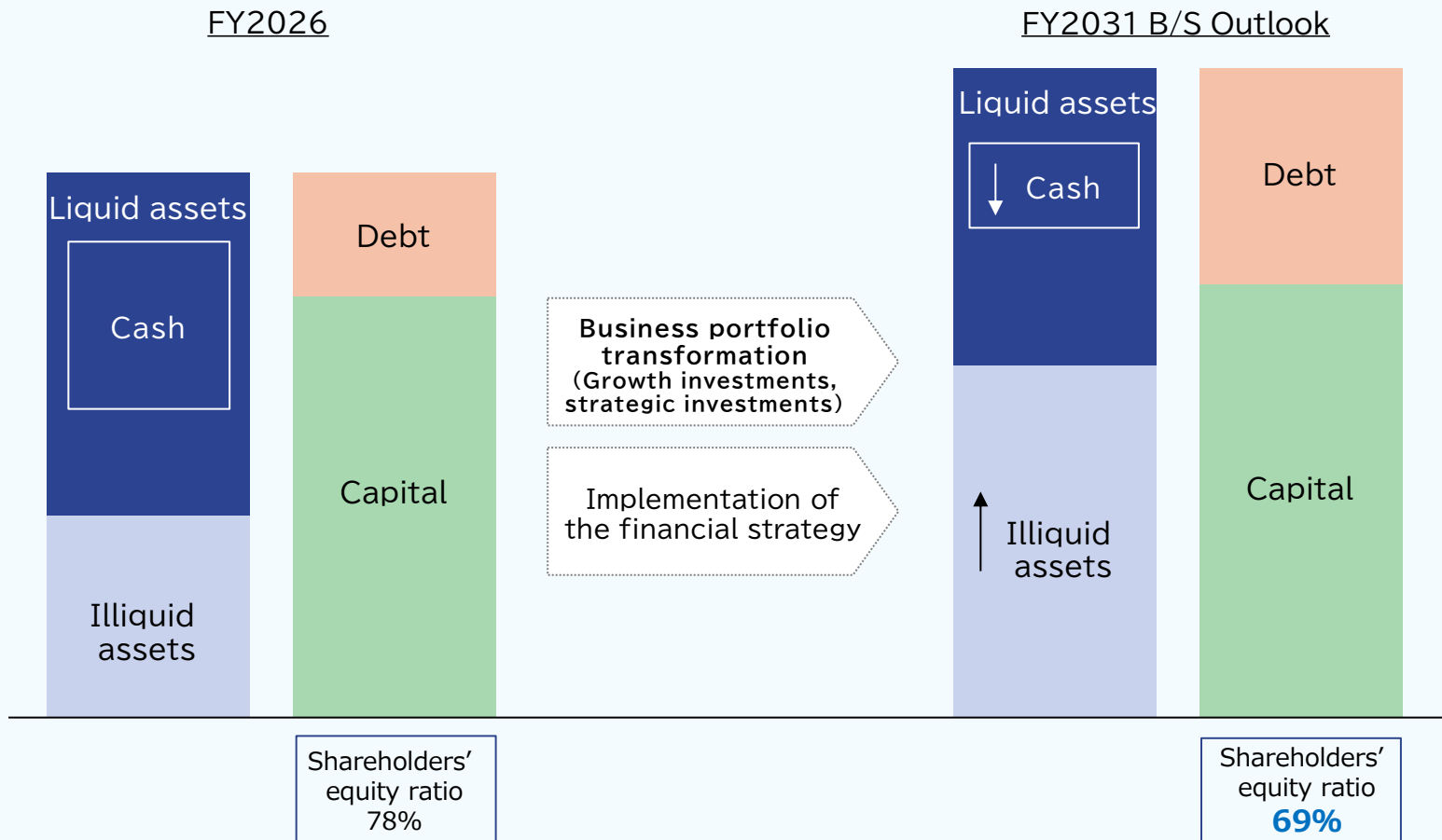
DOE	1.8%	2.1%	5.4%	3.8%
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* Includes the planned acquisition amount through the tender offer bid for treasury stock announced on May 13, 2026

4-24 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





- 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

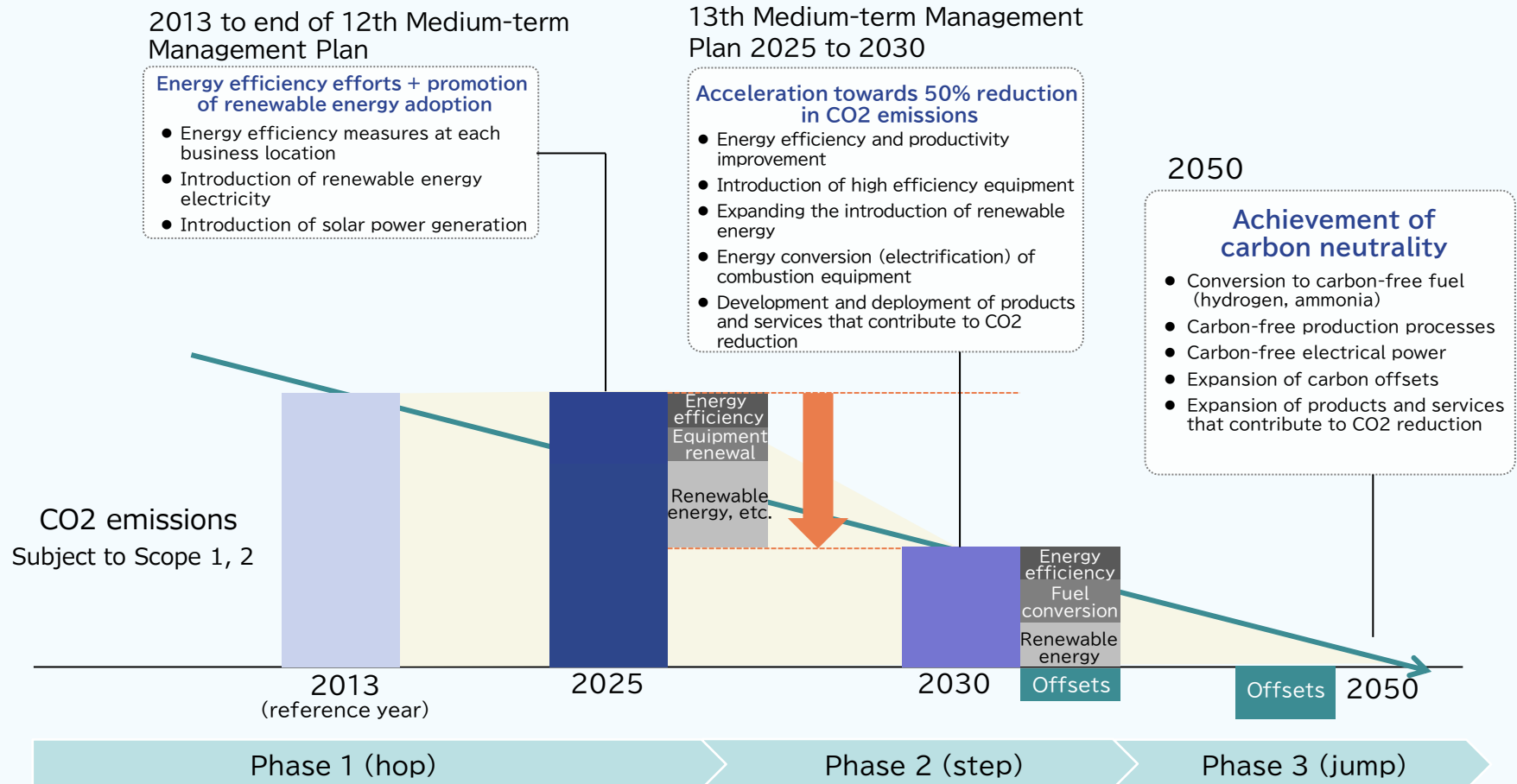


□ We aim to create value in the mobility industry and new fields by identifying priority issues in ESG, and working towards their resolution

	Issues	Details of the Company's Initiatives
Environment 	<ul style="list-style-type: none"> ✓ Realizing a decarbonized society ✓ Contributing to a recycling-based society ✓ Protection of the natural environment and biodiversity 	<ul style="list-style-type: none"> • Achieving GHG emission reduction targets • Commercialization of circular economy-related products • Implementing environmental protection activities
Social 	<ul style="list-style-type: none"> ✓ Empowering diverse talent ✓ Realizing a company where employees feel proud and fulfilled to work ✓ Protection of human rights 	<ul style="list-style-type: none"> • Women's advancement (increasing the percentage of female managers) • Increasing the paternity leave rate • Advocating health promotion activities • Implementing human rights due diligence
Governance 	<ul style="list-style-type: none"> ✓ Ensuring transparency and soundness in management ✓ Compliance with the laws and regulations of each country ✓ Strengthening dialog with stakeholders ✓ Strengthening risk management 	<ul style="list-style-type: none"> • 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



- 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.