

FY 2Q Financial Results Ended September 2017

11/8/2017

F-TECH Inc.

TSE 1st Section : 7212

<http://www.ftech.co.jp>

**1. Financial Results
Overview**

2. Earnings Forecast

3. Topics



Yuichi Fukuda
President & CEO

1. Financial Results Overview

2. Earnings Forecast

3. Topics



Yuichi Fukuda
President & CEO

Consolidated Financial Results Overview (Year on Year)



(Million yen)

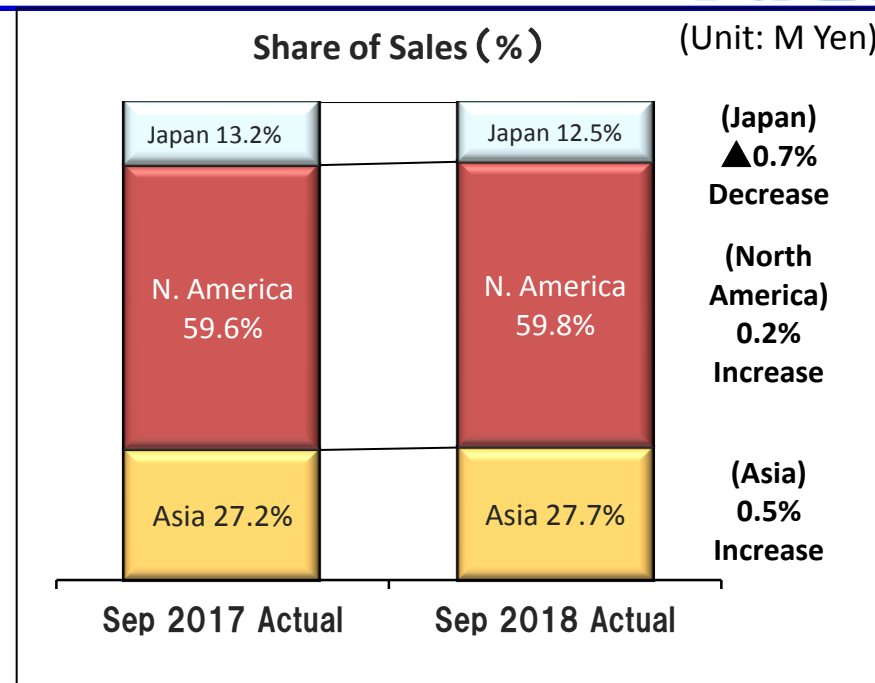
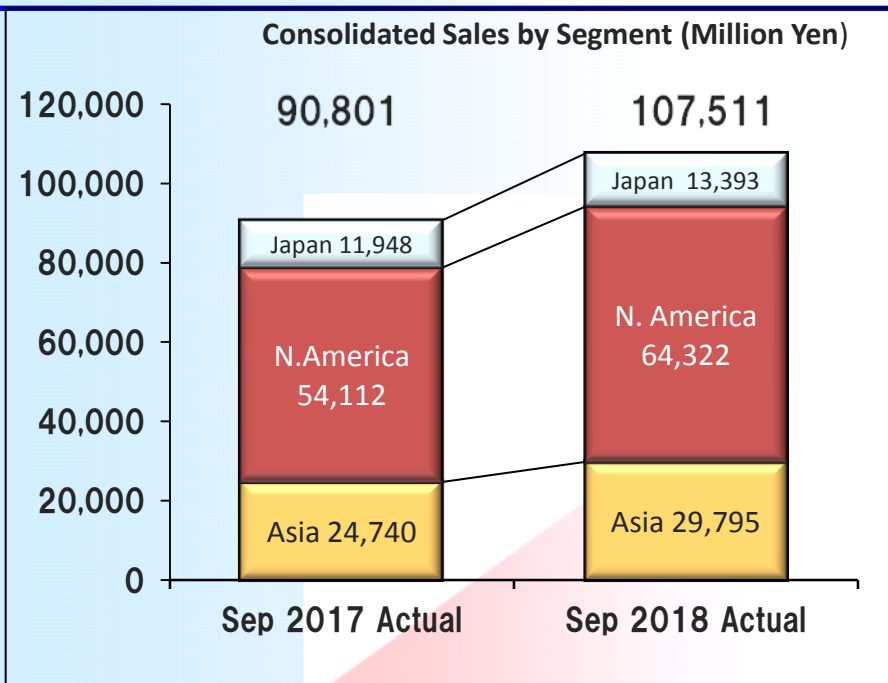
	2Q Ended Mar 2017		2Q Ended Mar 2018		Difference	
Sales	90,801	—	107,511	—	16,709	18.4%
Operating Income	3,033	3.3%	3,902	3.6%	869	28.7%
Income before tax	2,230	2.5%	3,248	3.0%	1,017	45.6%
Profit Attributable to owners of parent	687	0.8%	1,969	1.8%	1,281	186.5%
Earnings per share (Yen)	44.77	—	114.89	—	70.12	156.6%

Foreign Exchange Impacts

	Q2 FY Mar 2017	Q2 FY Mar 2018	Difference
1US\$	105.36 yen	111.29 yen	5.93 yen
1CAN\$	81.11 yen	86.16 yen	5.05 yen
1Yuan(RMB)	17.03 yen	16.37 yen	▲ 0.66 yen

Increase in consolidated sales and profit globally.
(Exchange impacts and major customers production increase.)

Consolidated Sales (Year on Year)



Changes in Consolidated Sales

	Q2 FY Mar 2017	Q2 FY Mar 2018	Difference	Difference (%)	FX Impacts	Real Difference	Difference (%)
Japan	11,948	13,393	1,444	12.1%	—	1,444	12.1%
N. America	54,112	64,322	10,210	18.9%	3,440	6,769	12.5%
Asia	24,740	29,795	5,055	20.4%	▲391	5,446	22.0%
Consolidated	90,801	107,511	16,709	18.4%	3,049	13,660	15.0%

All segment increase sales
 (Except Asian sales made substantial increase without exchange Impacts)

Operating Profit by Segment (Year on Year)



(Unit: M yen)

	Amount			
	Q2 FY 2017 Actual	Q2 FY 2018 Actual	Difference	Difference (%)
Japan	282	935	653	231.8%
N. America	1,304	727	▲576	▲44.2%
Asia	1,518	2,297	778	51.3%
Total	3,105	3,960	855	27.6%
Adjustment	▲71	▲57	13	▲19.0%
Consolidated	3,033	3,902	869	28.7%

Share		
Q2 FY 2017 Actual	Q2 FY 2018 Actual	Difference (%)
9.3%	24.0%	14.7%
43.0%	18.6%	▲24.3%
50.1%	58.9%	8.8%
102.4%	101.5%	▲0.9%
▲2.4%	▲1.5%	0.9%
100.0%	100.0%	0.0%

Operating Profit Movement Factors

Japan

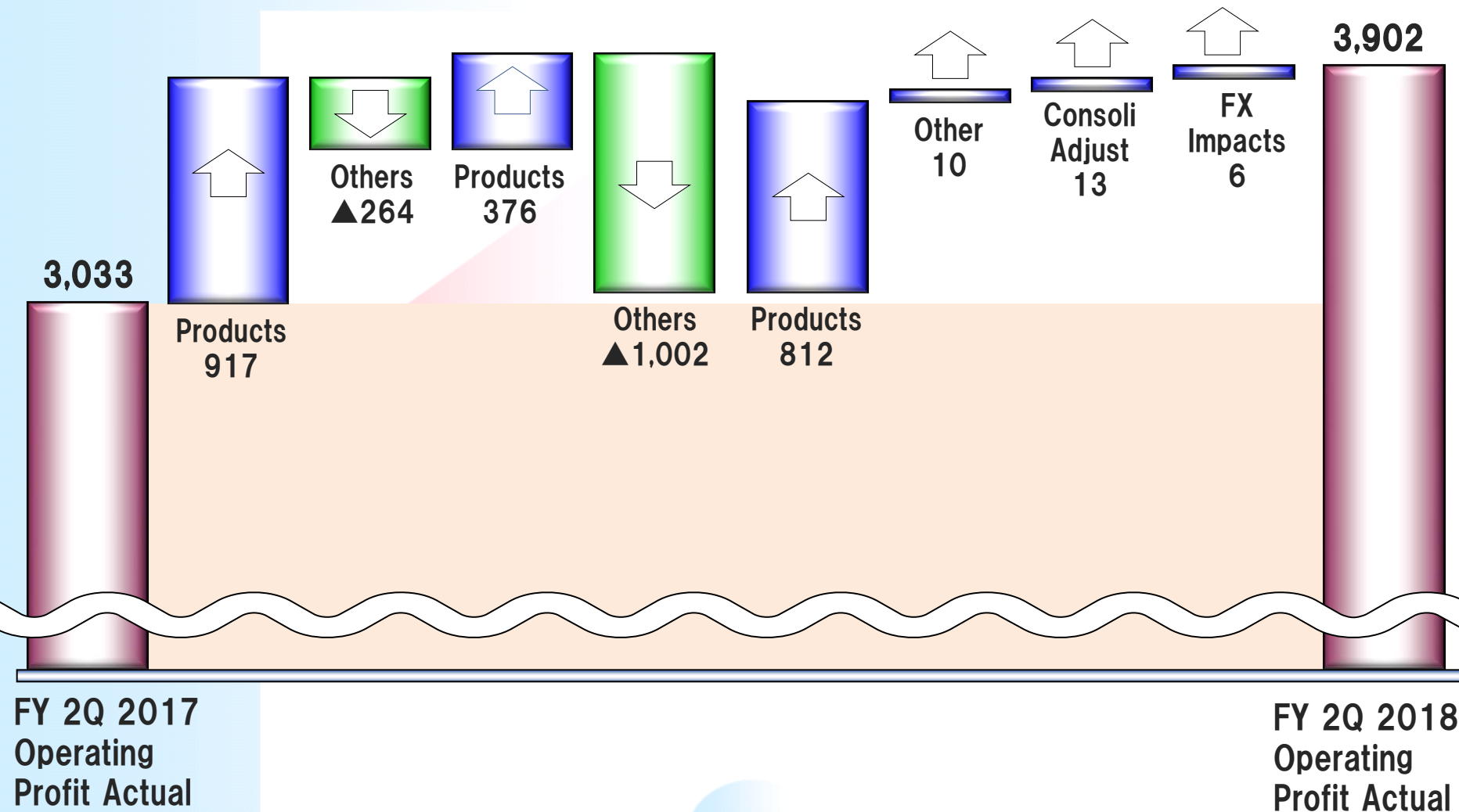
N. America

Asia

Increase

Decrease

(Unit : M Yen)



FY 2Q 2017
Operating
Profit Actual

FY 2Q 2018
Operating
Profit Actual

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President & CEO

Consolidated Results Forecast Overview (FY Mar 2018)



(Unit: M yen)

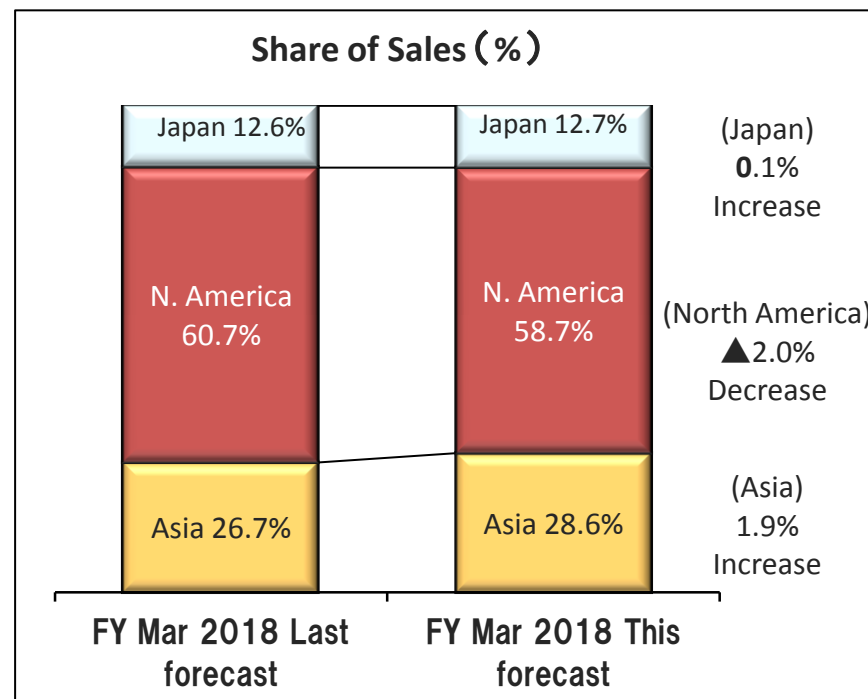
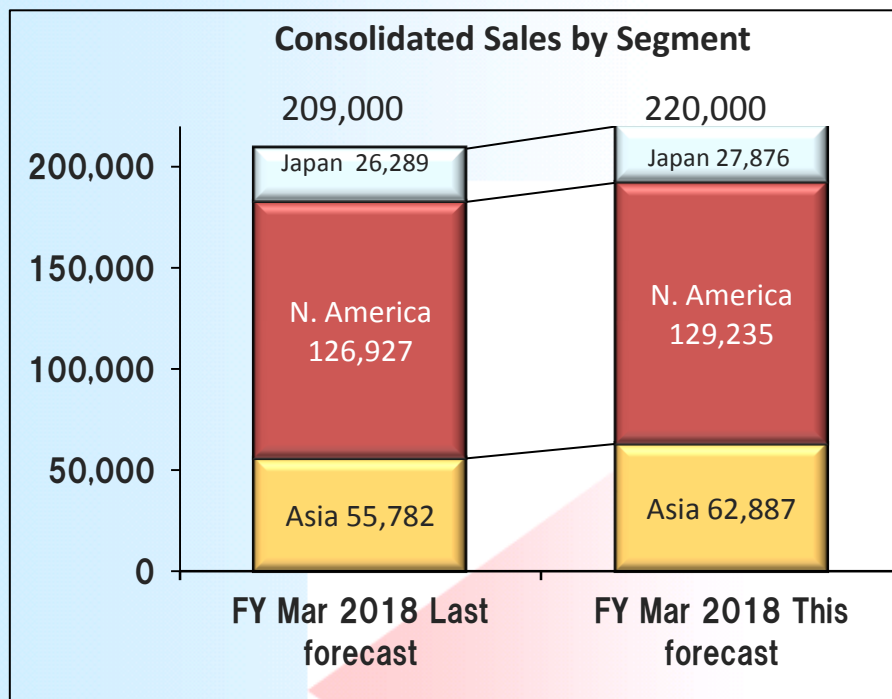
	FY Mar 2018 Forecast (Last forecast)		FY Mar 2018 Forecast (Current update)		Difference	
Sales	209,000	—	220,000	—	11,000	5.3%
Operating profit	8,000	3.8%	8,200	3.7%	200	2.5%
Profit before tax	7,400	3.5%	7,100	3.2%	▲300	▲4.1%
Profit attributable to owners of parent	4,000	1.9%	4,400	2.0%	400	10.0%
Earnings per share (Yen)	239.14	—	245.70	—	6.56	2.7%

Foreign Exchange Impacts

	Last forecast	Current update	Difference
1US\$	108.00 Yen	110.91 Yen	2.91 Yen
1CAN\$	80.00 Yen	85.63 Yen	5.63 Yen
1Yuan(RMB)	15.70 Yen	16.44 Yen	0.74 Yen

Increase in sales and profit (Mainly foreign exchange impacts)

Consolidated Sales Forecast (FY Mar 2018)



Changes in Consolidated Sales

	Last forecast	Current update	Difference	Difference (%)	FX Impacts	Real Difference	Difference (%)
Japan	26,289	27,876	1,586	6.0%	—	1,586	6.0%
N. America	126,927	129,235	2,307	1.8%	5,309	▲3,001	▲2.4%
Asia	55,782	62,887	7,105	12.7%	2,889	4,217	7.6%
Consolidated	209,000	220,000	11,000	5.3%	8,198	2,802	1.3%

Sales increased (Japanese and Asian sales increase covered N. America sales reduction)

Operating Income by Segment (Year on Year)

(Unit: M yen)

	Amount			
	FY Mar 2018 Last forecast	FY Mar 2018 Current update	Difference	Difference (%)
Japan	921	1,469	548	59.6%
N. America	1,705	1,019	▲686	▲40.3%
Asia	4,973	5,783	810	16.3%
Total	7,600	8,272	672	8.8%
Adjustment	400	▲72	▲472	▲118.1%
Consolidated	8,000	8,200	200	2.5%

Share		
FY Mar 2018 Last forecast	FY Mar 2018 Current update	Difference (%)
11.5%	17.9%	6.4%
21.3%	12.4%	▲8.9%
62.2%	70.5%	8.4%
95.0%	100.9%	5.9%
5.0%	▲0.9%	▲5.9%
100.0%	100.0%	—

Operating Profit Movement Factors

Japan

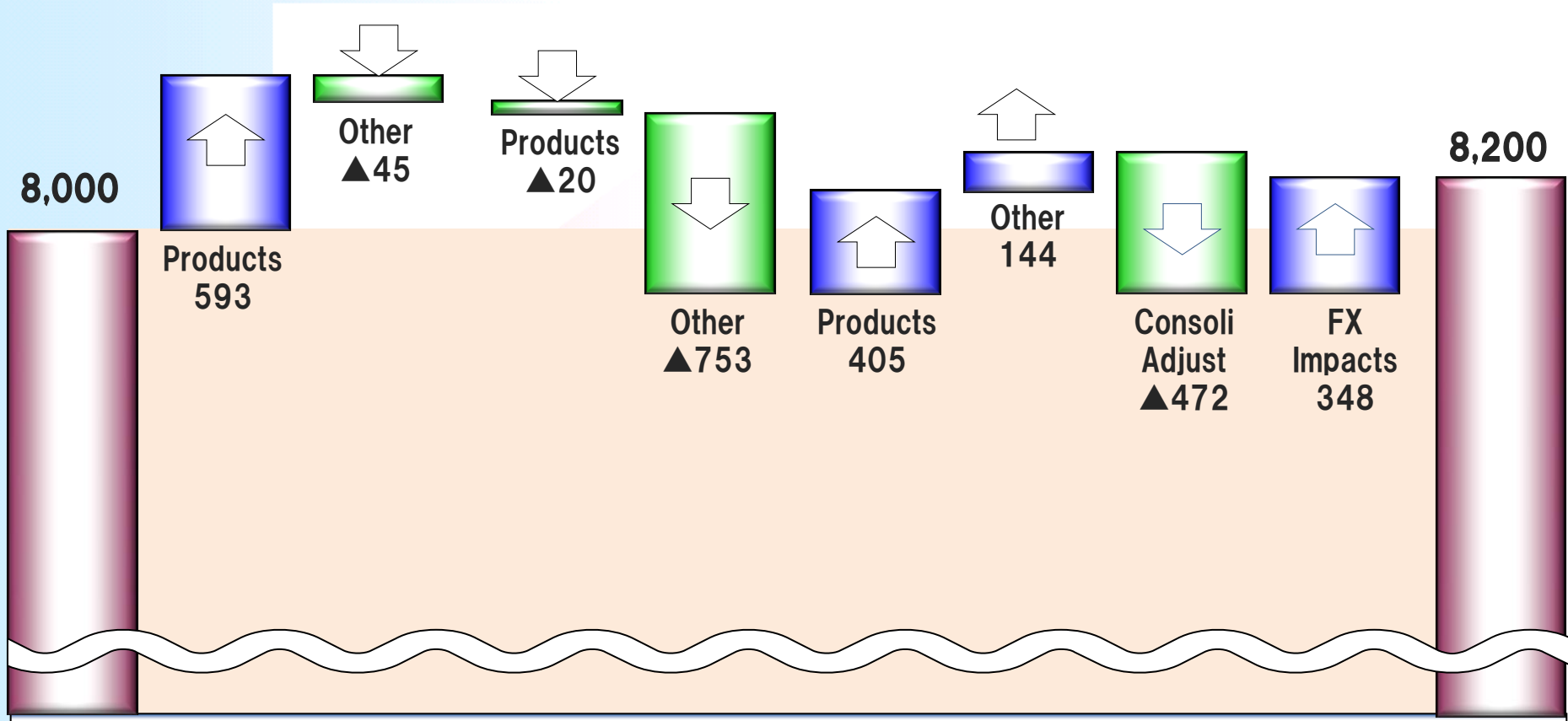
N. America

Asia

Increase

Decrease

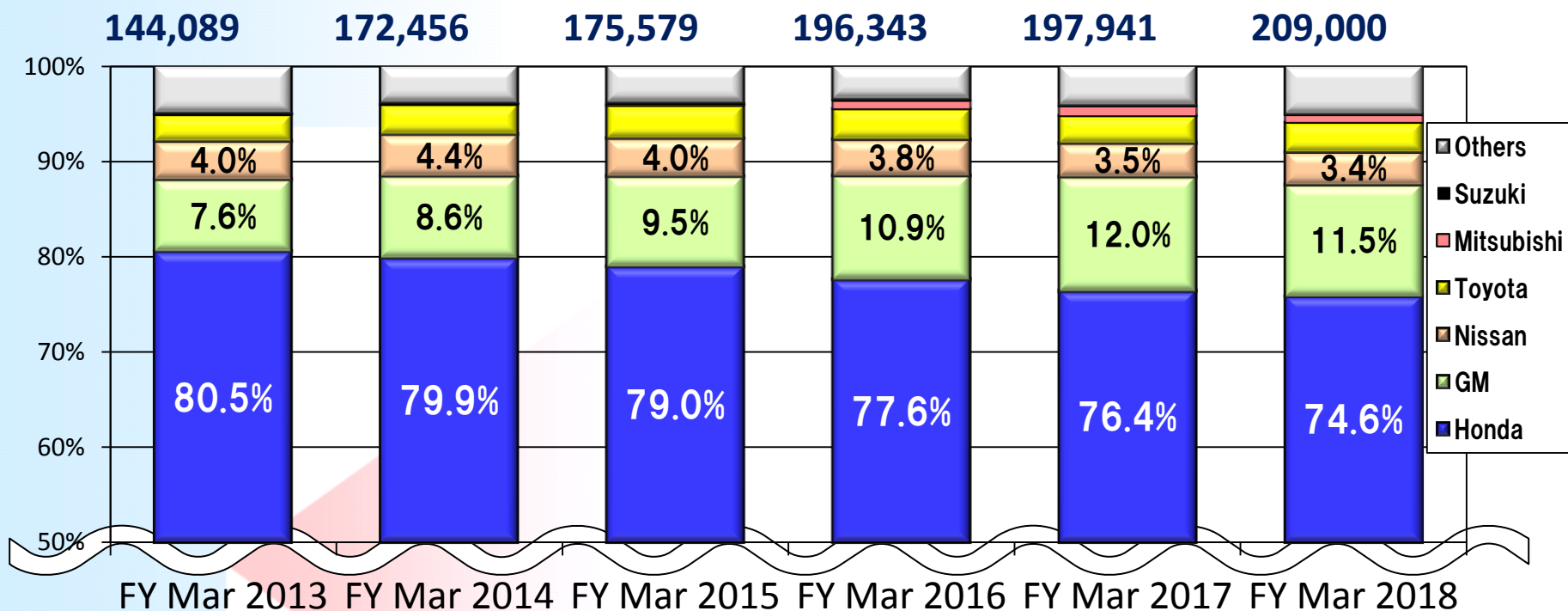
(Unit : M Yen)



March 2018
Operating Profit
(Last Forecast)

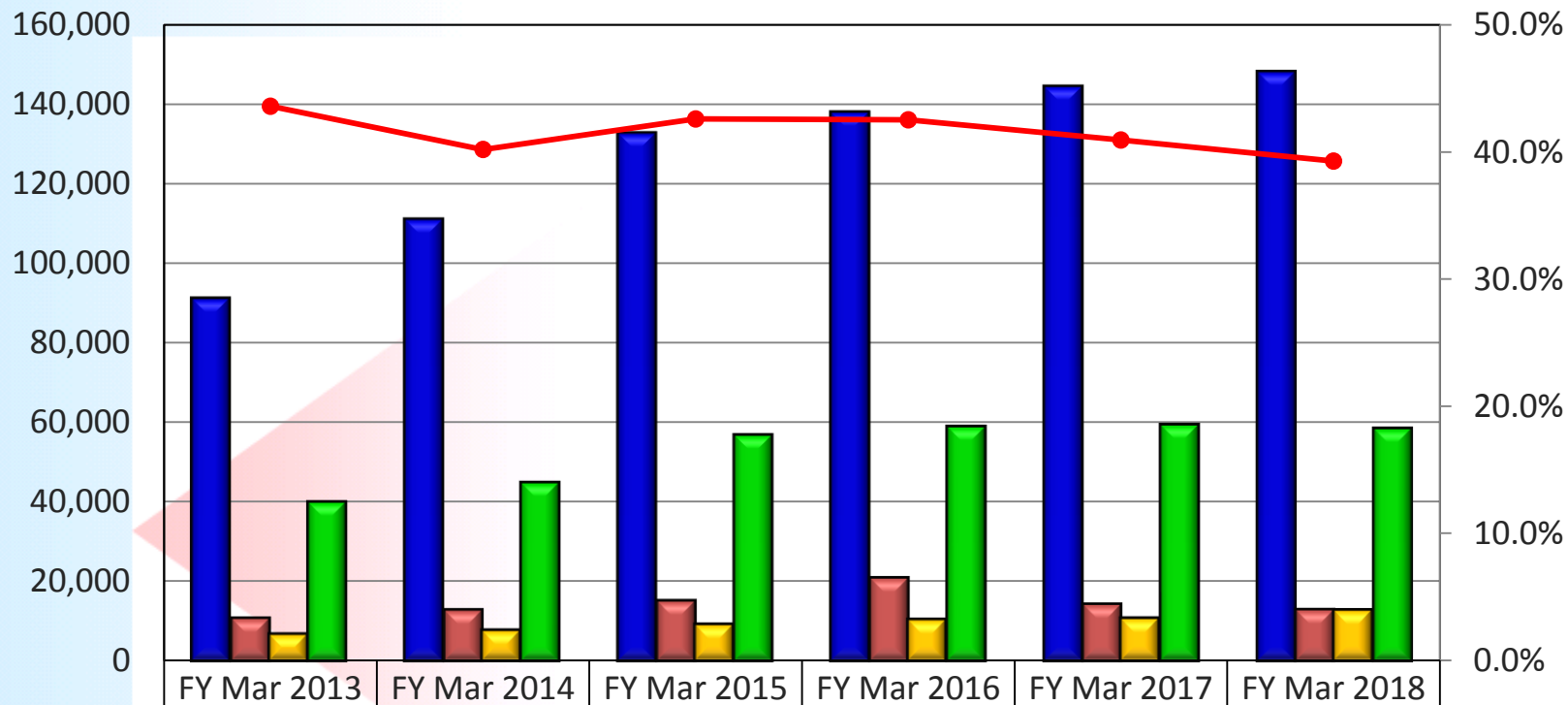
March 2018
Operating Profit
(Current update)

Changes in Sales by Customer



	FY Mar 2013	FY Mar 2014	FY Mar 2015	FY Mar 2016	FY Mar 2017	FY Mar 2018 Forecast
Honda	116,046	137,708	138,635	152,435	151,282	164,057
GM	10,935	14,880	16,622	21,345	23,683	25,385
Nissan	5,773	7,536	7,024	7,435	6,985	7,451
Toyota	3,919	5,209	5,875	6,204	5,658	6,188
Mitsubishi	217	370	526	1,803	2,036	2,417
Suzuki	114	127	135	321	197	208
Others	7,085	6,626	6,762	6,800	8,101	14,294
	144,089	172,456	175,579	196,343	197,941	220,000

■ Total Asset
 ■ Capital Investment
 ■ Depreciation
 ■ Interest-Bearing Debt
 ● Dependence on Interest-Bearing Debt (Unit: M Yen)



	FY Mar 2013	FY Mar 2014	FY Mar 2015	FY Mar 2016	FY Mar 2017	FY Mar 2018
Total Asset	91,200	111,062	132,697	137,980	144,420	148,145
Capital Investment	10,696	12,715	14,987	20,578	14,094	12,762
Depreciation	6,544	7,508	8,920	10,081	10,335	12,322
Interest-Bearing Debt	39,786	44,679	56,570	58,686	59,129	58,198
Dependence on Interest-Bearing Debt	43.6%	40.2%	42.6%	42.5%	40.9%	39.3%

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The 2020 maturity yen convertible bond (CD), which was fully converted into equity on Sep. 12, 2017 as we executed a call option.

Column	March 2017	September 2017	Difference
CB Balance	2,350 M Yen	0	▲2,350 M Yen
Issued shares	16,760,425	18,712,244	+ 1,951,819
Capital	5,615 M Yen	6,790 M Yen	+ 1,175 M Yen
Capital Surplus	6,155 M Yen	7,330 M Yen	+ 1,175 M Yen

〈Reference〉

Issue Date	2015/3/20	Issued shares	2015 March End
Mature Date	2020/3/23	Capital	15,390,000
Issued Amt	4,000 M Yen	Capital Surplus	4,790 M Yen
Convert Amt	1,204 Yen		5,228 M Yen

1st Half New production models (2017/4~2017/9)

Areas	Customer	April	May	June	July	Aug	Sep	...
Japan	HONDA				N-BOX		CIVIC	
	NISSAN				LEAF			
N.A	HONDA	Odyssey					ACCORD	
	GM	Equinox/ TERRAIN	Travers/ Enclave					
	NISSAN				LEAF	ALTIMA		
	TOYOTA				CAMRY			
	New customers							
China, Asia	HONDA					CITY		
	New customers							

※Listed for ordinary production started between April 2017 and Sep. 2017

Odyssey

Production : April 2017
Location : USA (F&P Georgia)
Products : Suspension parts
Mount parts
Pedals control parts

ACCORD

Production : Sep. 2017
Location : USA (F&P America)
Products : Suspension parts
Mount parts
Pedal control parts

N-BOX

Production : July 2017
Location : Japan (Kameyama)
Products : Suspension parts
Mount parts
Pedal control parts

CIVIC

Production : Sep. 2017
Location : Japan (Kuki)
Products : Suspension parts
Mount parts
Pedal control parts

※Listed for ordinary production started between April 2017 and Sep. 2017

**Respond to the major customers needs accurately
to obtain new business to start production**

NISSAN

Production : July, Aug. 2017
Location : USA (F&P Georgia),
Japan (Kyushu F.tech)
Products : Suspension parts
Pedal control parts

GM

Production : April, May 2017
Location : Mexico (F&P Mexico)
Canada (Dyna-Mig)
Products : Suspension parts
Mount parts

New Customer

Production : April 2017
Location : Thailand (FMTL),
Products : Suspension parts
Mount parts

New Customer

Production : July 2017
Location : Canada (Dyna-Mig)
Products : Suspension parts
Mount parts

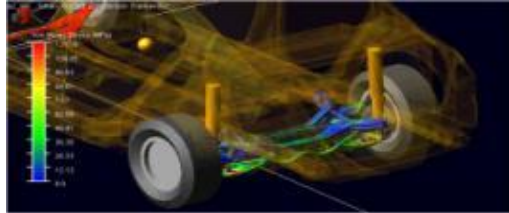
※Listed for ordinary production started between April 2017 and Sep. 2017

Start new model production as the results of active sales promotion to develop new customers

Design, Processing

CAE Optimization

Optimum design development by the latest CAE analysis



Precision press technology

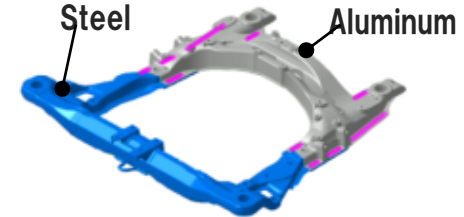


High HTSS steel processing



FSW Technology

Steel/Aluminum different material welding



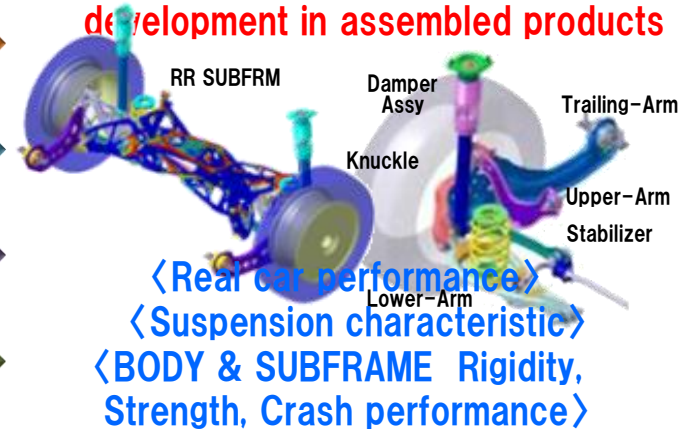
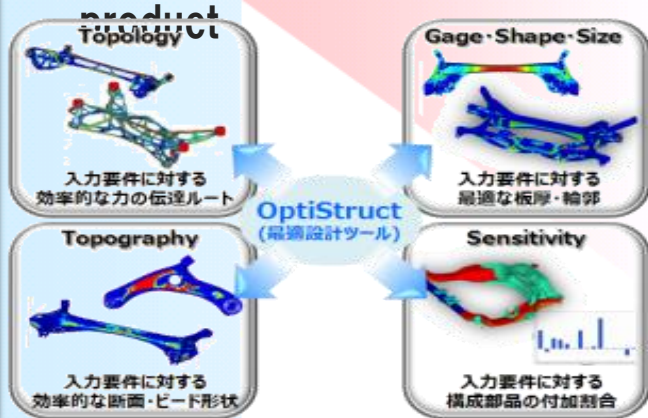
Challenge for new materials welding

Technology evolution leads to advance to chassis system maker from single parts maker

◆ Optimum design and development in standalone product

◆ Estimate vehicle performance, and achieve optimum design development in assembled products

Chassis System



Technology evolution leads to advance to chassis system maker and to achieve further weight saving

<Nikkei IR・Investment Fair2017>

Dates : Aug. 25,26, 2017

Venue : Tokyo Big Sight

Visitors: 17,346

Hall presentation, Booth session

Connect with much individual investors
to explain company profile.



<Individual IR at >

Date : July 6, 2017

Venue : TKP Omiya

Visitors : 120

Company
presentation to
Individual investors



Date : Dec 5 2017 (Plan)

Venue : Kuki-city cultural hall

Visitors: 120

First IR event at
our home town



Expanding the IR events to increase individual investors

~Automotive Engineering Exposition Nagoya~

Dates : June 28 – 30 2017

Venue : Portmesse Nagoya

Visitors : 39,810

Booth Exhibition (Lightweight pedals, Aluminum parts technology)

F-tech booth was introduced on "The Motor Fan" magazine

Awarded as the most impressive 20 exhibitors



<Future Event>

~8th Lightweight Technology Expo~

Dates: Jan 17, 18 2018

Venue : Tokyo Big Sight

The largest light weight technology exhibition in Japan



Display our development technology to OEM manufactures

【2017 Actions】

- Shorter hours employees
Expand Half day off plan
- Extend short hour work plan for parents to End of 3rd grade
- Support the Parenting/Nursing with work, Guideline was Published and Announced (Uploaded on the Intranet)

【Continued】

- Consume pay day off, No carry over
⇒ **18 years achieved**
- Reduce long hours work
⇒ Manage overtime works
- Haga Technical Center
⇒ Flex time work plan

【Leave/Short time work programs】

Program	16/3	17/3	18/3	Return %
HC on Child-care leave (Female/Male)	6/1	4/2	5/1	100% /100%
HC on Child-care short time work program (Female/Male)	12/1	11/0	14/1	-/-
HC on Nursing leave	0	0	3	100%
HC on Nursing short time work program	0	0	2	-

【Awards, Certifications】

- Saitama Pref. 「Company conduct multiple work style」
Gold certification(2015)
- Saitama Pref. Senior work promotion participation (2016)

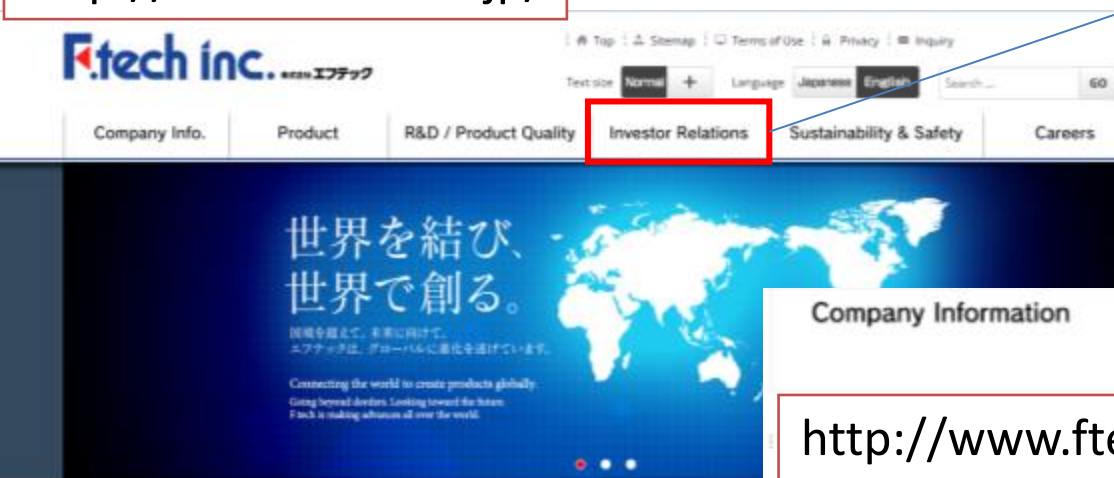


F-tech considers employees work life balance, and try to establish the better work conditions by multiple work styles.

Our corporate website was renewed in July 7, 2015

We disclose our information in a timely and appropriate manner on our website.

<http://www.ftech.co.jp/>



- Corporate Governance
- IR Calendar
- Archives of IR Reports
- Business Results Data
- Corporate Stock Information
- Our Action Guidelines

<http://www.ftech.co.jp/company/>





The future outlook and earnings forecasts in this document are made based on the information available at the moment, and they include potential risks and uncertainties.

As a result, please bear in mind that actual business performance may substantially differ from the stated future forecasts due to changes in various factors.

For inquiries on IR information, please contact:

F-tech Inc.

E-MAIL: webmaster@ftech.co.jp

APPENDIX

APPENDIX

Consolidated Balance Sheet (Mar. 2017 Forecast)



Unit:M Yen	March 2017	March 2018	Difference
Current Assets	61,899	64,683	2,784
Cash and Deposits	5,719	4,802	▲917
Notes Receivable, Account Receivable	33,151	34,537	1,386
Inventories	18,645	20,423	1,778
Fixed Assets	82,521	83,461	940
Tangible Fixed Assets	74,676	75,117	441
Assets Total	144,420	148,145	3,725

Unit:M Yen	March 2017	March 2018	Difference
Current Liabilities	63,465	57,364	▲6,101
Notes Payable, Account Payable	21,186	20,771	▲415
Short term loan	20,562	16,565	▲3,997
Current portion of Long term loan	10,953	10,953	-
Fixed Liabilities	31,222	34,515	3,293
Long term loan	23,271	29,062	5,791
shareholder's Equity	33,177	39,455	6,278
Other Comprehensive Income Cumulative	477	▲270	▲747
Minority Interests	16,077	17,080	1,003
Total Equity	49,732	56,264	6,532
Total Liability and Equity	144,420	148,145	3,725
Net Asset per Share Yen)	2,012.06	2,097.85	85.79

Consolidated Cash Flow (Mar. 2018 Forecast)



Unit: M Yen	March 2017	March 2018	Difference
Operating Activities	13,245	15,092	1,847
Investment Activities	▲13,116	▲12,762	354
Financing Activities	▲870	▲3,030	▲2,160
Exchange Impacts of Cash and Cash Equivalents	▲261	▲216	45
Net Decrease in Cash and Cash equivalent	▲1,112	▲916	196
Beginning Balance in Cash and Cash equivalent	6,831	5,719	▲1,112
Ending Balance in Cash and Cash equivalent	5,719	4,802	▲917

