

Financial Results Meeting for the Fiscal Year Ended March, 2016

5/10/2016

F.tech Inc.

TSE 1st Section :7212

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

1. Financial Results Overview
2. Earnings Forecast
3. Basic Information
4. Business Strategy
5. Topics



Yuichi Fukuda
President & CEO

1. Financial Results Overview

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Yuichi Fukuda
President & CEO

Consolidated Financial Results Overview (Year on Year)



(Million yen)

	FY Ended Mar 2015 Actual		FY Ended Mar 2016 Actual		Difference	
Sales	175,579	100.0%	196,343	100.0%	20,763	11.8%
Operating Income	5,564	3.2%	6,821	3.5%	1,256	22.6%
Income before tax	5,791	3.3%	6,182	3.1%	390	6.7%
Profit Attributable to owners of parent	1,772	1.0%	2,704	1.4%	932	52.6%
Earnings per share (Yen)	115.42	-	176.14	-	60.72	52.6%

Foreign Exchange Impact

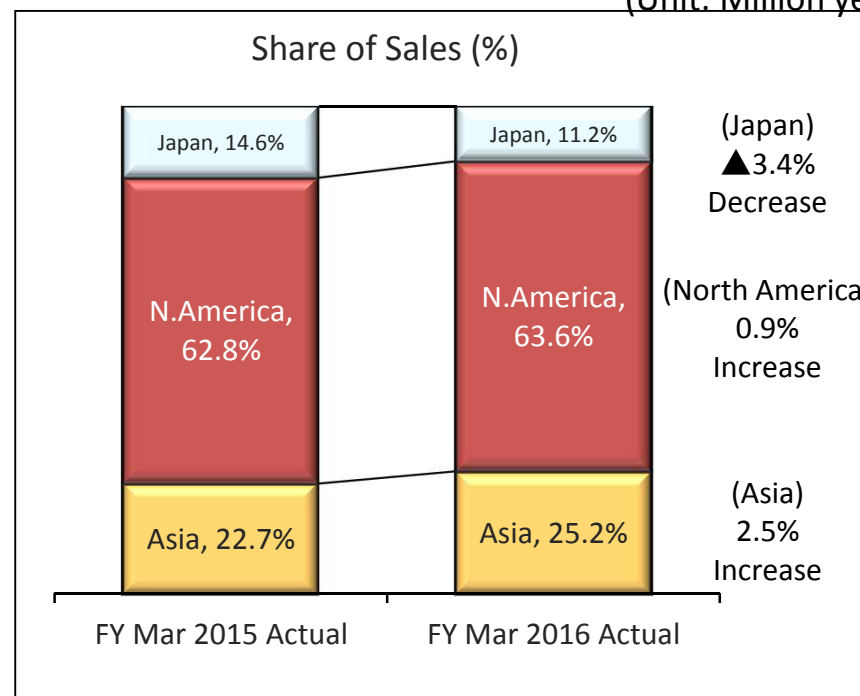
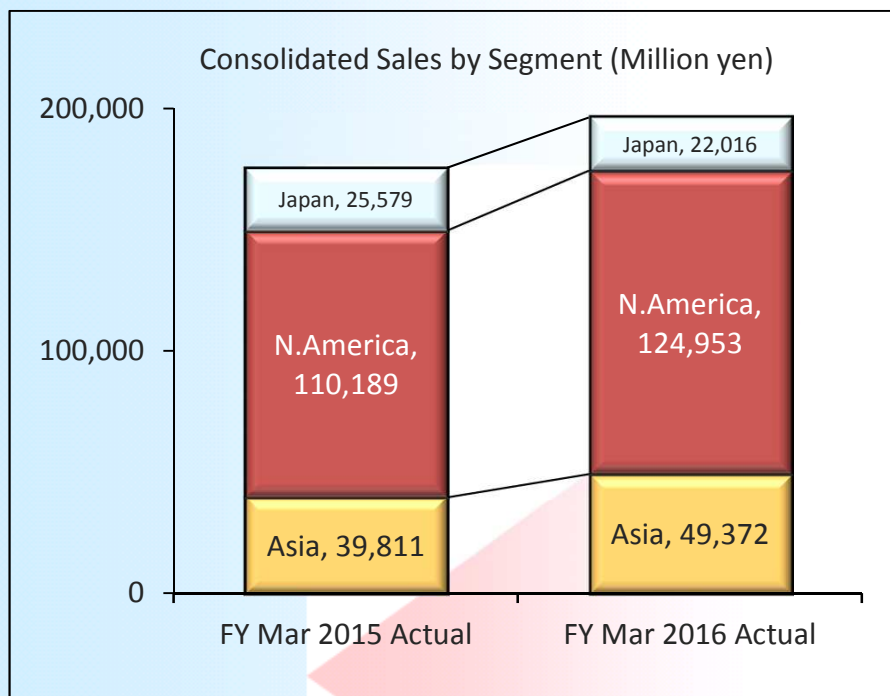
	FY Ended Mar 2015	FY Ended Mar 2016	Difference
1US\$	110.64 yen	120.15 yen	9.51 yen
1CAN\$	96.66 yen	91.78 yen	▲4.88 yen
1Yuan(RMB)	17.25 yen	19.19 yen	1.94 yen

Increase in sales and income.
 (Due to the impact of the depreciation of the yen
 in addition to increased sales and income at overseas facilities.)

Consolidated Sales (Year on Year)



(Unit: Million yen)



Changes in Consolidated Sales

	Q4 FY Mar 2015	Q4 FY Mar 2016	Difference	Difference (%)	FX Impact	Real Difference	Difference (%)
Japan	25,579	22,016	▲3,562	▲13.9%	-	▲3,562	▲13.9%
N. America	110,189	124,953	14,764	13.4%	3,826	10,938	9.9%
Asia	39,811	49,372	9,561	24.0%	5,154	4,407	11.1%
Consolidated	175,579	196,343	20,763	11.8%	8,980	11,783	6.7%

Overseas sales increased, overseas segments contributing to 88% of consolidated sales.

Operating Income by Segment (Year on Year)



(Unit: Million yen)

	FY Mar 2015 Actual		FY Mar 2016 Actual		Difference	Difference (%)
	Operating Income	Share by Region	Operating Income	Share by Region		
Japan	434	7.8%	381	5.6%	▲52	▲12.0%
N. America	4,635	83.3%	4,675	68.6%	40	0.9%
Asia	758	13.6%	2,069	30.3%	1,310	172.7%
Total	5,828	104.7%	7,126	104.5%	1,298	22.3%
Adjustment	▲264	▲4.7%	▲305	▲4.5%	▲41	-
Consolidated	5,564	100.0%	6,821	100.0%	1,256	22.6%

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Yuichi Fukuda
President & CEO

Consolidated Performance (FY Mar 2017 Forecast)

(Unit: Million yen)

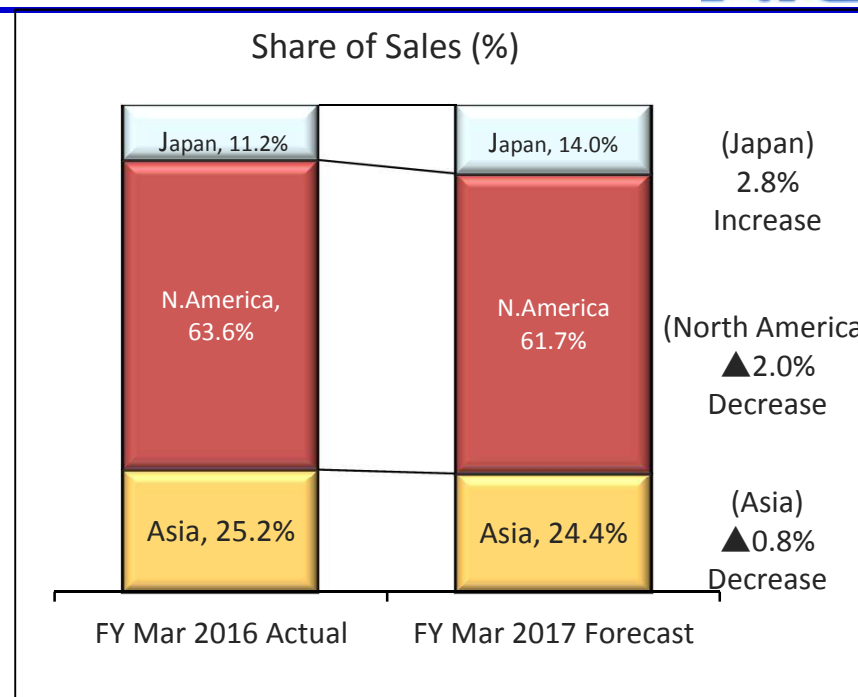
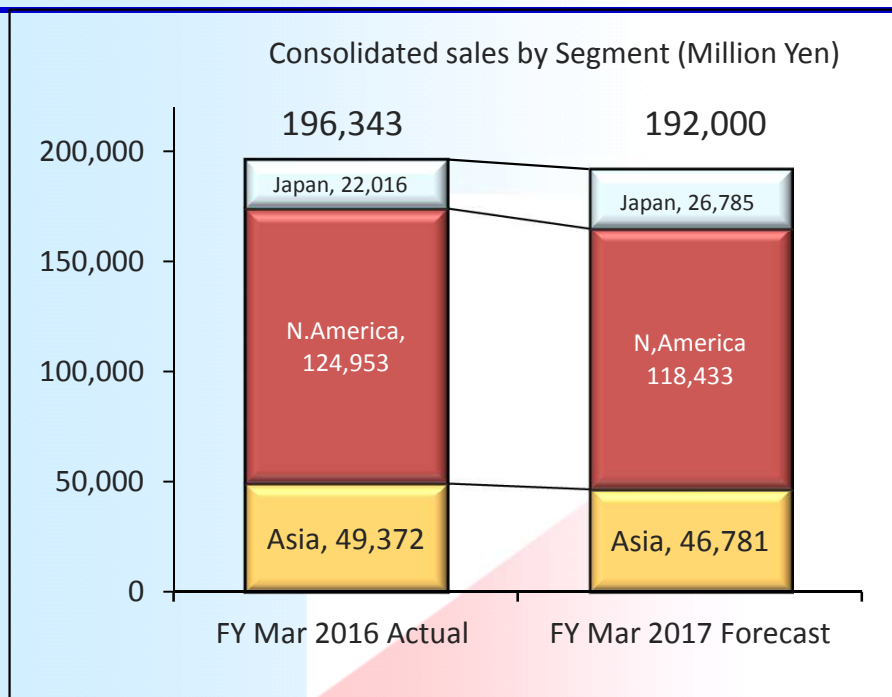
	FY Mar 2016 Actual		FY Mar 2017 Forecast		Difference	
Sales	196,343	100.0%	192,000	100.0%	▲4,343	▲2.2%
Operating Income	6,821	3.5%	6,500	3.4%	▲321	▲4.7%
Income before tax	6,182	3.1%	6,200	3.2%	17	0.3%
Profit attributable to owners of parent	2,704	1.4%	2,800	1.5%	95	3.5%
Earnings per share (Yen)	176.14	-	182.34	-	6.20	3.5%

Foreign Exchange Impact

	FY Mar 2016	FY Mar 2017	Difference
1US\$	120.15 yen	108.00 yen	▲12.15 yen
1CAN\$	91.78 yen	85.00 yen	▲6.78 yen
1Yuan(RMB)	19.19 yen	16.60 yen	▲2.59 yen

Decrease in sales and income.
(Foreign exchange impact is big, actual situation is increase in sales and income.)

Consolidated Sales (FY Mar 2017 Forecast)



Changes in Consolidated Sales

	FY Mar 2016	FY Mar 2017	Difference	Difference (%)	FX Impact	Real Difference	Difference (%)
Japan	22,016	26,785	4,768	21.7%	-	4,768	21.7%
N. America	124,953	118,433	▲6,520	▲5.2%	▲13,522	7,002	5.6%
Asia	49,372	46,781	▲2,591	▲5.2%	▲7,997	5,406	10.9%
Consolidated	196,343	192,000	▲4,343	▲2.2%	▲21,519	17,176	8.7%

Decrease in sales due to strong yen impact,
share of Japan segment increased (11.2% to 14.0%)

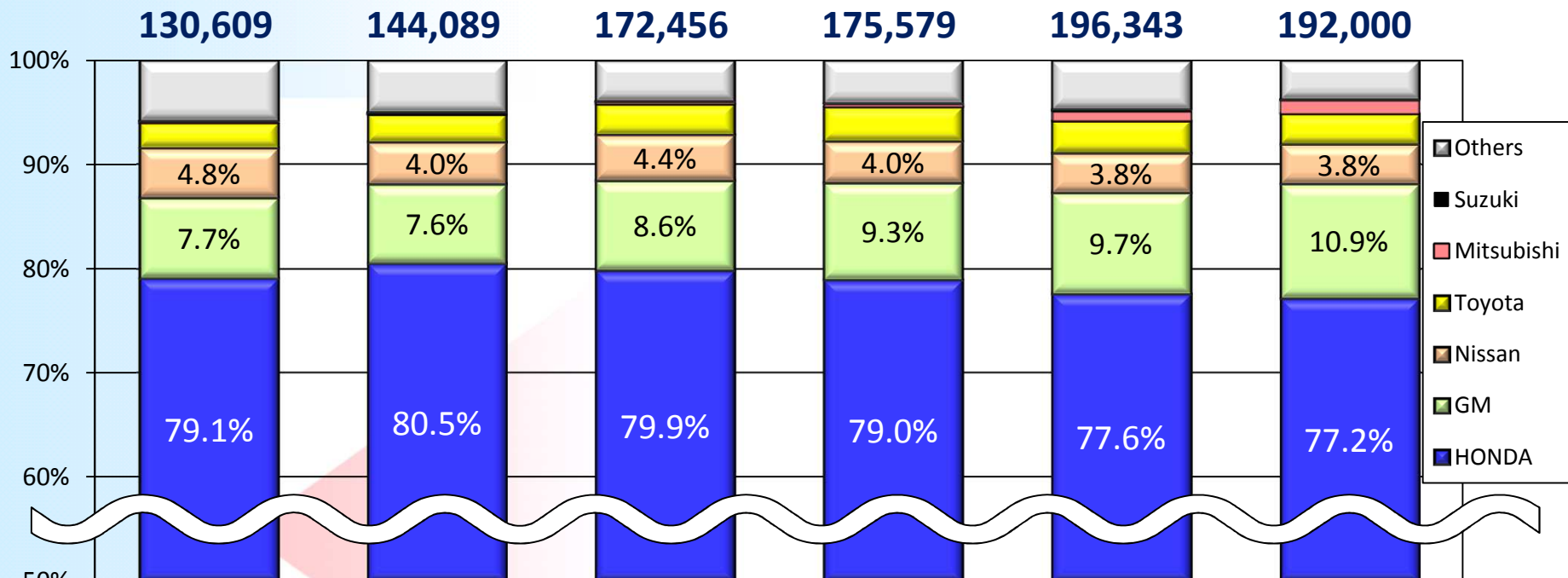
Operating Income by Segment (FY Mar 2017 Forecast)



(Unit: Million yen)

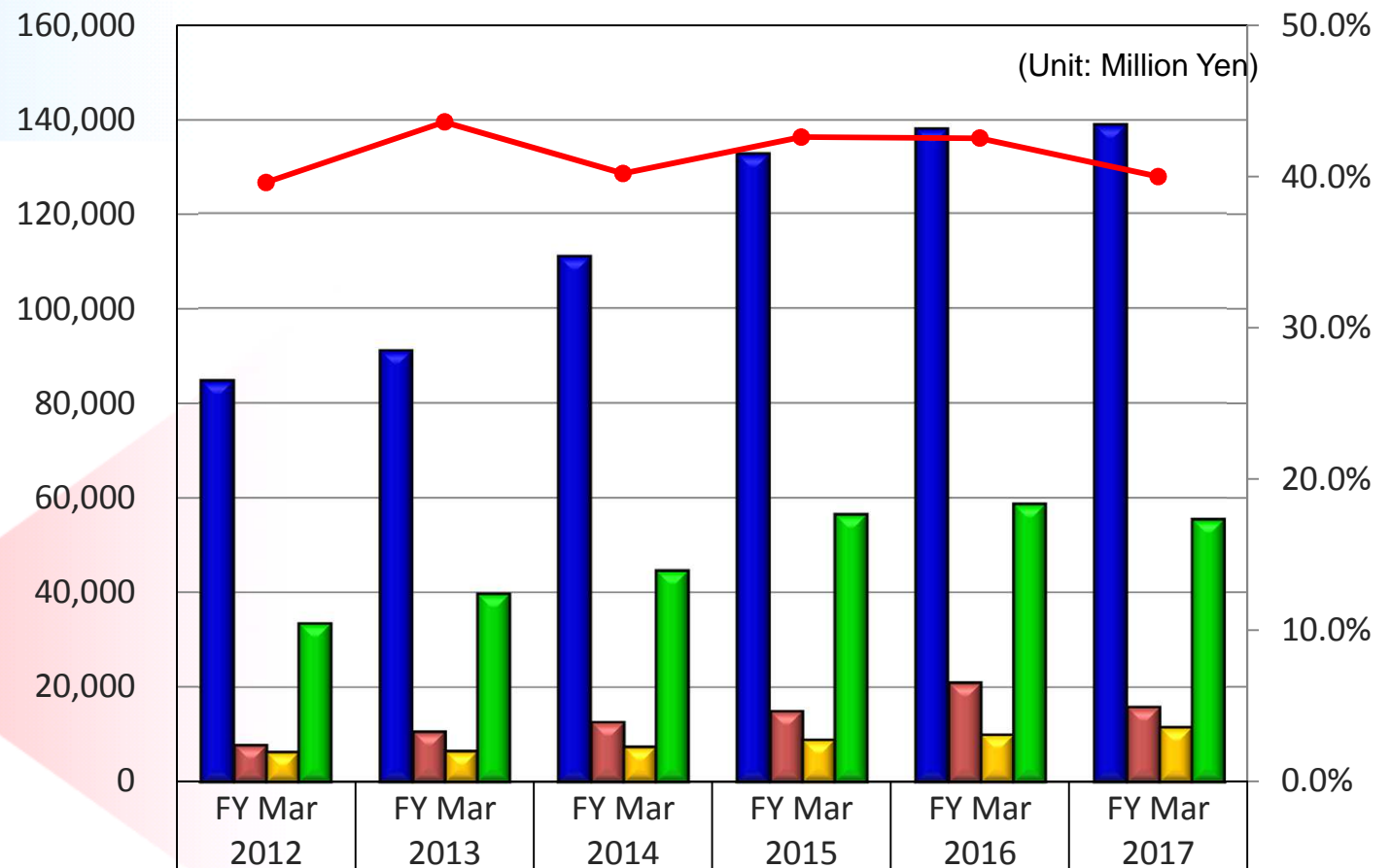
	FY Mar 2016 Actual		FY Mar 2017 Forecast		Difference	Difference (%)
	Operating Income	Shares by Region	Operating Income	Share by Region		
Japan	381	5.6%	652	10.0%	270	70.8%
N. America	4,675	68.6%	3,467	53.4%	▲1,207	▲25.8%
Asia	2,069	30.3%	2,430	37.4%	361	17.4%
Total	7,126	104.5%	6,550	100.8%	▲576	▲8.1%
Adjustment	▲305	▲4.5%	▲50	▲0.8%	255	-
Consolidated	6,821	100.0%	6,500	100.0%	▲321	▲4.7%

Changes in Sales by Customer



	FY Mar 2012	FY Mar 2013	FY Mar 2014	FY Mar 2015	FY Mar 2016	FY Mar 2017 Forecast
HONDA	103,340	116,046	137,708	138,635	152,435	148,251
GM	10,082	10,935	14,863	16,304	19,001	20,972
Nissan	6,208	5,773	7,535	7,024	7,435	7,296
Toyota	3,131	3,919	5,209	5,875	6,204	5,764
Mitsubishi	289	217	369	526	1,803	2,413
Suzuki	91	114	127	135	321	227
Others	7,468	7,085	6,645	7,080	9,144	7,077
	130,609	144,089	172,456	175,579	196,343	192,000

Financial Situation



Total Asset	84,796	91,200	111,062	132,697	137,980	138,793
Capital Investment	7,872	10,696	12,715	14,987	20,578	15,865
Depreciation	6,374	6,544	7,508	8,920	10,081	11,593
Interest-Bearing Debt	33,567	39,786	44,679	56,570	58,686	55,509
Dependence on Interest-Bearing Debt	39.6%	43.6%	40.2%	42.6%	42.5%	40.0%

FY Mar 2017 Forecast

	End of Q1	End of Q2	End of Q3	End of Q4	Total	Payout Ratio
FY Mar 2017 Dividend Forecast	-	10 yen	-	10 yen	20 yen	11.0%
(FYI) FY Mar 2016 Actual	-	10 yen	-	10 yen	20 yen	11.4%
Difference (Year on Year)	-	-	-	-	-	▲0.4%

Dividend Policy

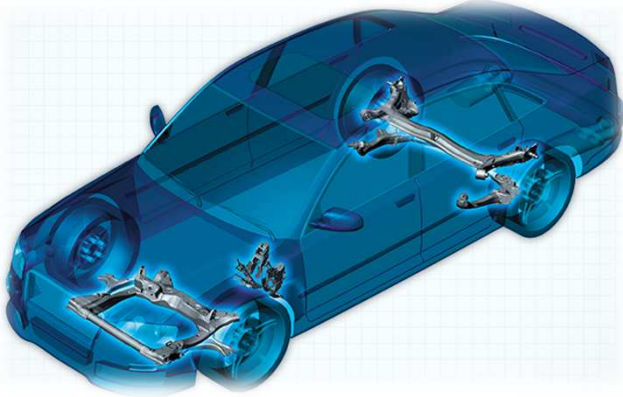
F.tech's basic policy regarding the profit distribution is based on the business performance. Along with reinforcing our financial characteristic, we will review profit forecast and future business opportunities from a long-term perspective, and distribute profit back to shareholders. Our payout ratio target is 10% or greater of the "Net income attributable to parent company shareholders", and it is paid out twice a year – middle of the year and end of the year.

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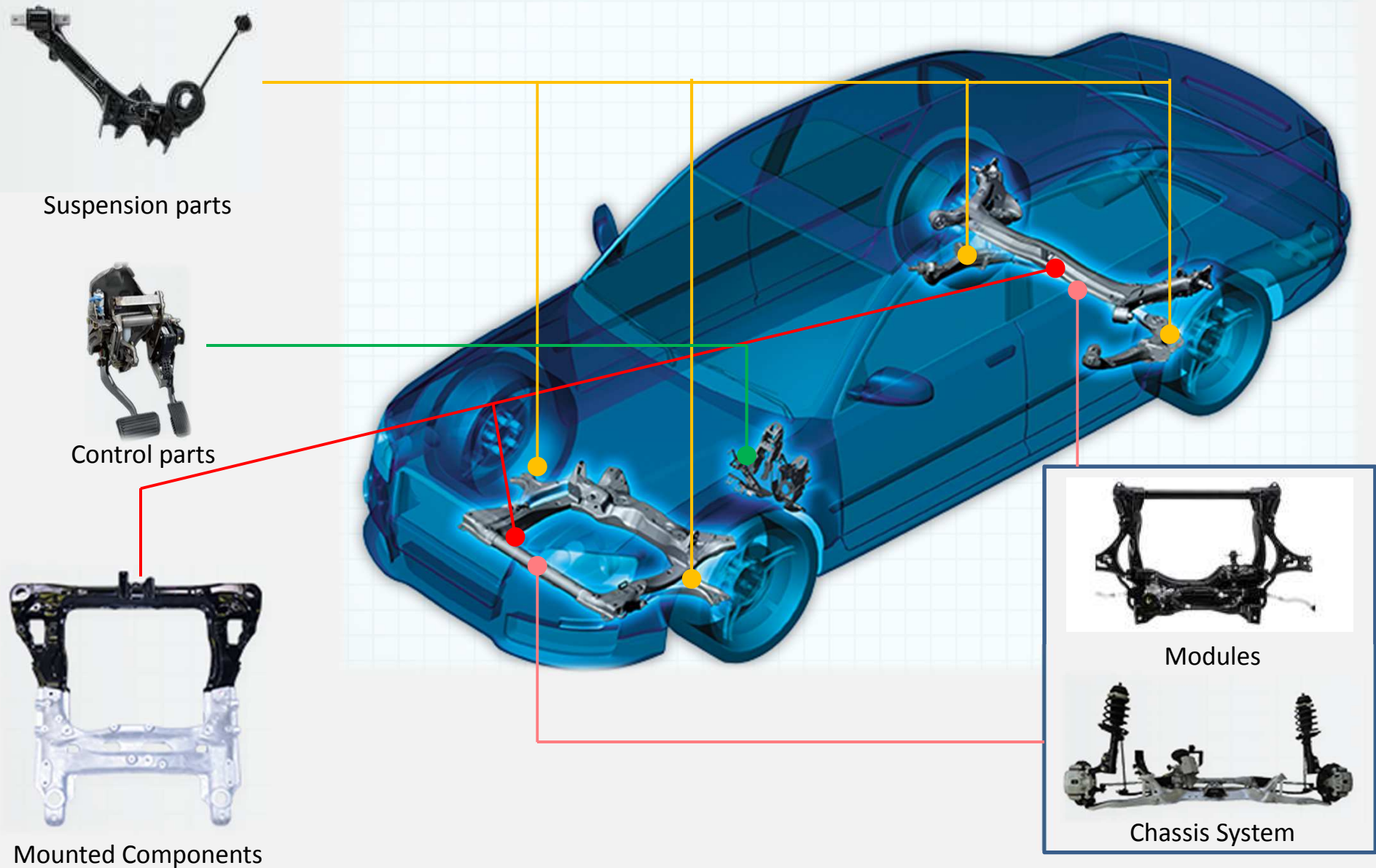


Yuichi Fukuda
President & CEO

Company Overview

Company name	F-TECH INC.	
Capital	4,79 million yen	
Number of shares issued	15,390,000	
Foundation	July 1 st 1947	
Head office	19 Showanuma, Shobu-cho, Kuki City, Saitama	
Number of employees	950 (F-tech standalone) 7,948 (Consolidated)	
Number of overseas facilities	N. America: 8, China: 4, Asia: 4, Europe: 1	
Main Customers	Honda, General Motors, Nissan, Toyota, Mitsubishi, Suzuki, etc.	

Main Products (four-wheel)



Corporate Philosophy: Four Key Strengths

Mission Statement

From global perspective, we strive to contribute to our society and to improve the quality of life through manufacturing of the highest quality products with ambition and sincerity.

F-Tech Basic Principles

1 Challenging Spirit

➔ Encourage people to always aspire for excellence

2 Respecting People

➔ Based on human dignity

3 Making Profit

➔ Making profit is the most important thing

Four Key Strengths

Research & Development

- Realize on a daily basis the development of new technologies and new products responding to the needs of the time

Production Engineering

- Realize economic and highly-efficient production lines, and practice high-quality manufacturing

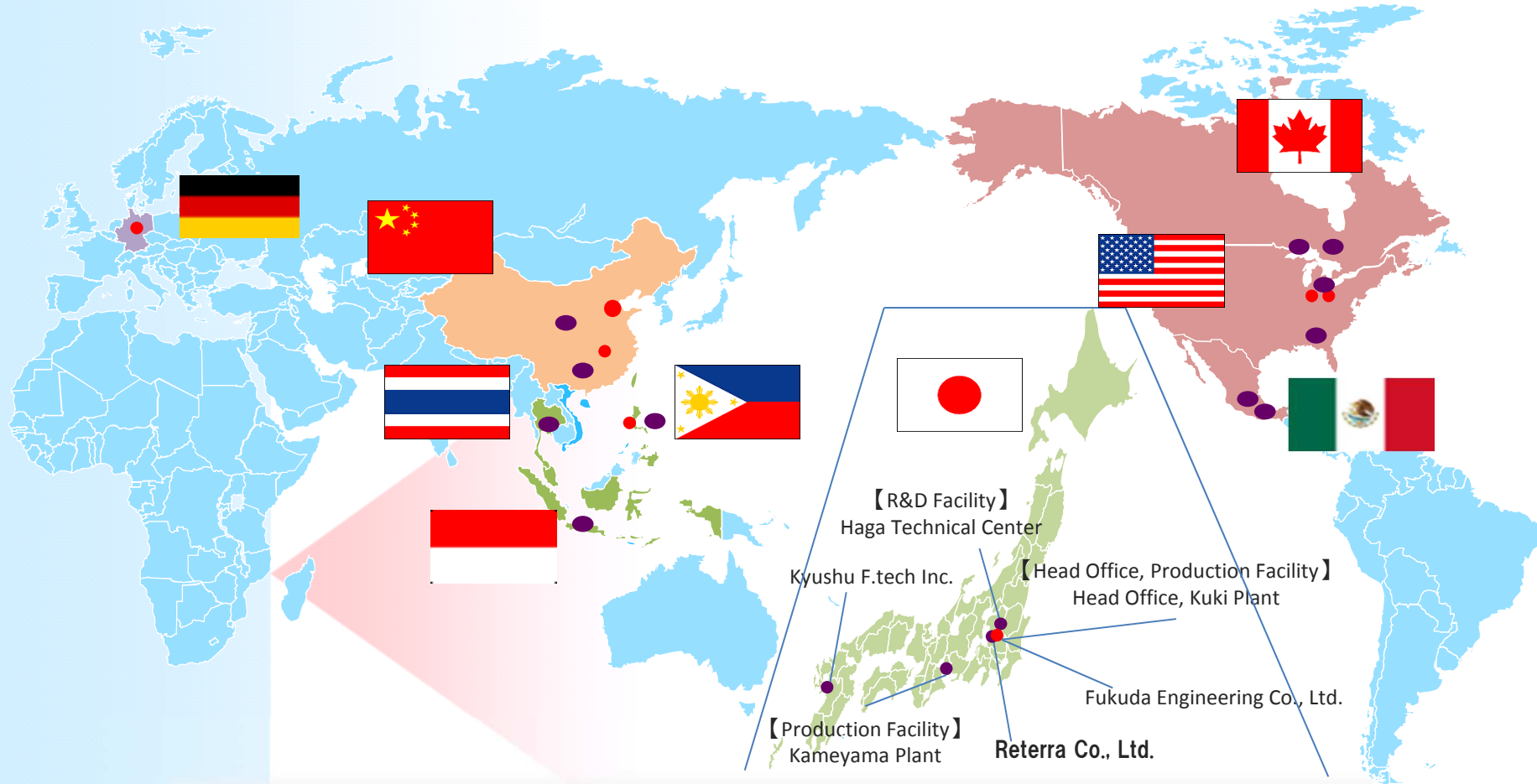
Global Competitiveness

- Promote global business expansion to realize the supply of components to OEMs worldwide.

Power of Associates

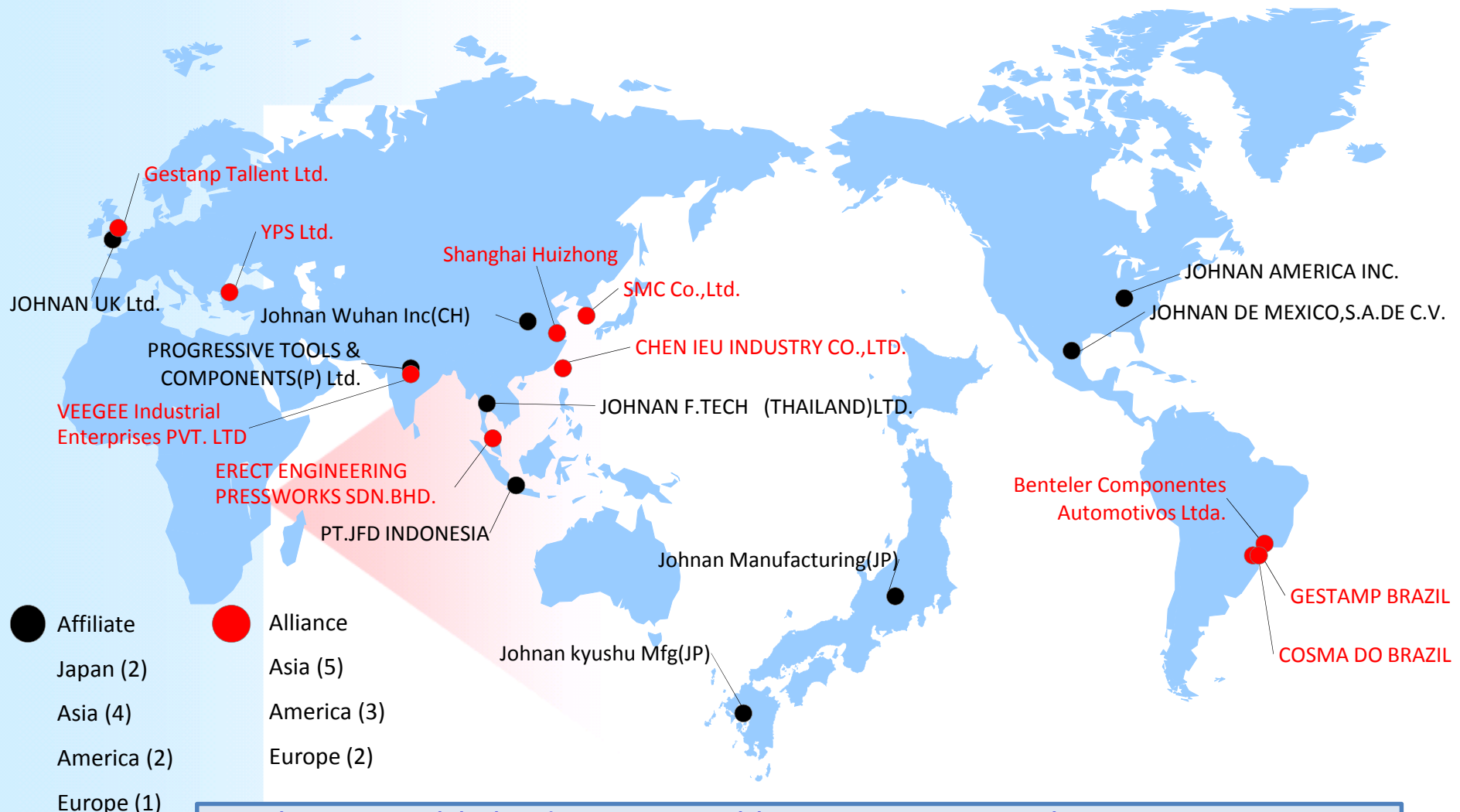
- A challenging spirit of each associate creates a big power to step into a new field
- Practice associate training with respect for people

Bases in Japan/Overseas Bases



Production Facility		R&D Facility	
N. America 6 (Canada, US, Mexico)		N. America 2 (Ohio, Michigan)	Europe 1 (Germany)
China 2 (Zhongshan, Wuhan)	Asia 3 (Thailand, Philippines, Indonesia)	China 2 (Guangzhou, Yantai)	Asia 1 (Philippines)

Summary of bases : Affiliates and Alliances



We have established an optimal business partnership in 7 countries and 1 region in order to respond to global model production.

F.tech's 68 Year History



July 1947

Metal toys production begins



1947, Metal toys

October 1959

Business with Honda Motor Co., Ltd begins by supplying motorcycle parts



1959, Honda Super cab

October 1965

Four-wheel vehicle functional parts development and white body parts production begins



1967 model HONDA N360

October 1986

F&P Mfg., Inc. established in Ontario, Canada
First overseas facility



2015 -

Open new doors for further growth by expanding overseas sales



Supply optimum parts that suit need of customers

2014

Further expansion of GM business



Subframe, lower arm, to chassis system

September 2012

Mass production by utilizing dissimilar material welding technology (FSW – Friction Stir Welding) begins, World's first technology



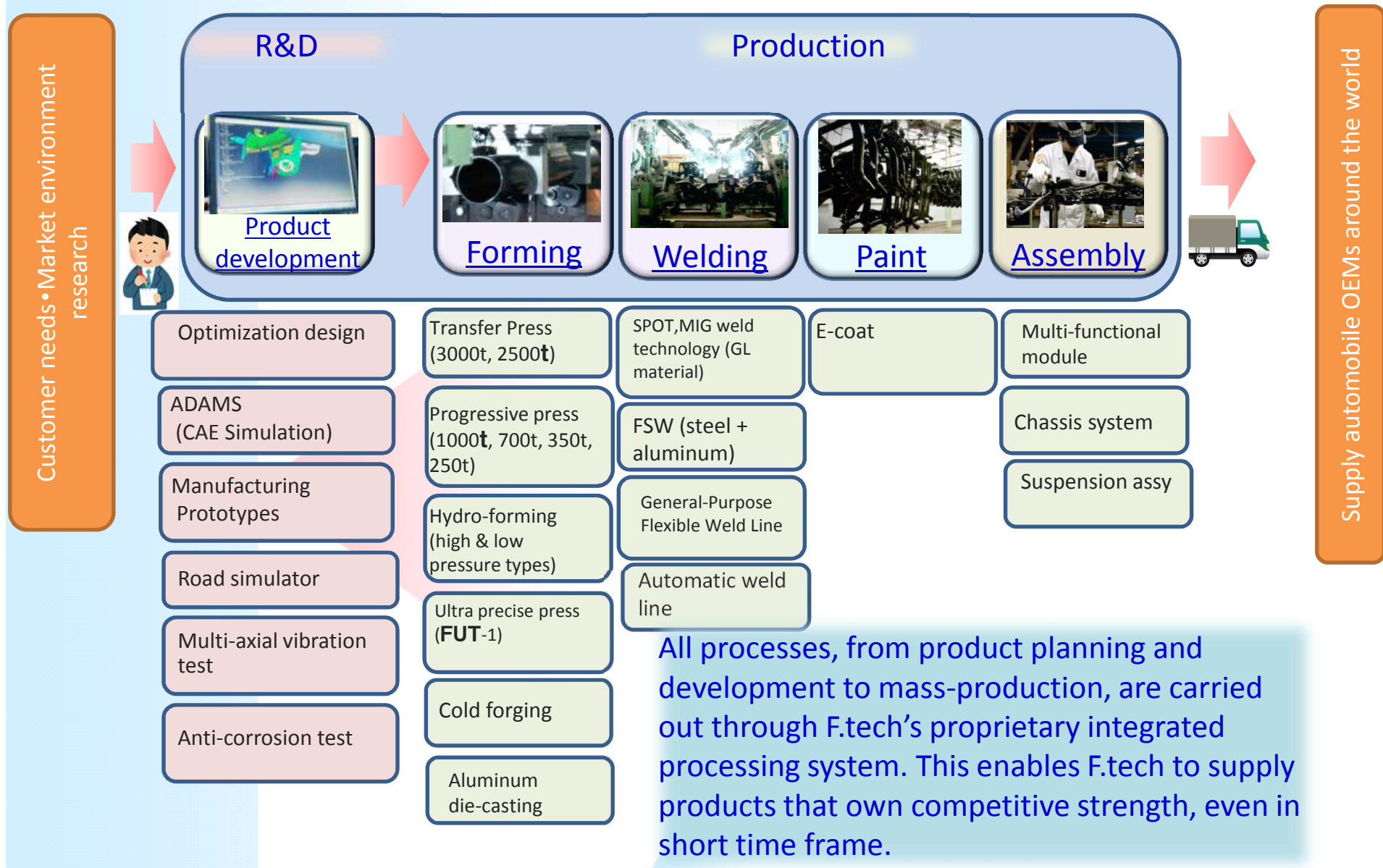
Front sub-frame with steel and aluminum



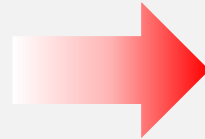
13M NA Accord

Suspension parts for Civic

Chassis parts development and production



Customer needs and specification requirements of automobile manufacturers

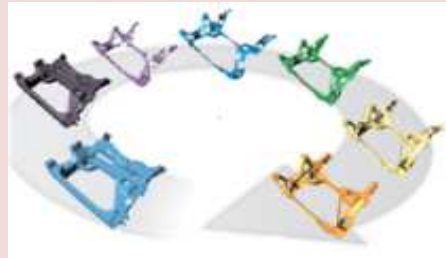


Strength, rigidity, durability, crash performance, weight-reduction, operation stability, high quality

Designing

Optimization

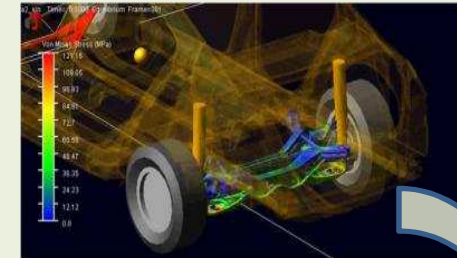
- Propose weight reduction through adoption of optimum specification
- Achieve overwhelming competitiveness



Analysis

ADAMS (CAE Simulation)

- Create a measurable of each part
- Develop parts with the optimum (best) balance



Test

Road simulator

- Conduct bench test on suspension system under conditions equivalent to using an actual vehicle to perform optimum design efficiently.



Prototype

CMM (3D measuring device)

- Check the accuracy of products by using non-contact CMM and form measuring device, etc.



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Corporate Policy: To become a chassis system manufacturer with overwhelming competitive strength

Basic Business Strategy

1. Change to Chassis System Structure

- Create a structure capable of developing a chassis system by combining peripheral parts into a multifunctional component, in addition to developing standalone chassis.

2. Evolution to Global Operations

- Global expansion
→ Achieve 24 hour system
- Implement development base system
→ Borderless Development Environment

Corresponds optimally to global needs

3. Strengthening of Environmentally Friendly Technologies

- Advancement of weight-reduction technology
- New processing technology
- Electronic

Target

Business Performance

Sales 200 billion JPY

Operating income 10 billion JPY
(Operating profit margin 5% or higher)

Dependency ratio on interest-bearing debt: 30% or lower

Sales Expansion

- Expansion of sales to manufacturers in Europe and U.S.
- Increased sales to GM
- Raising the ratio of non-Honda business

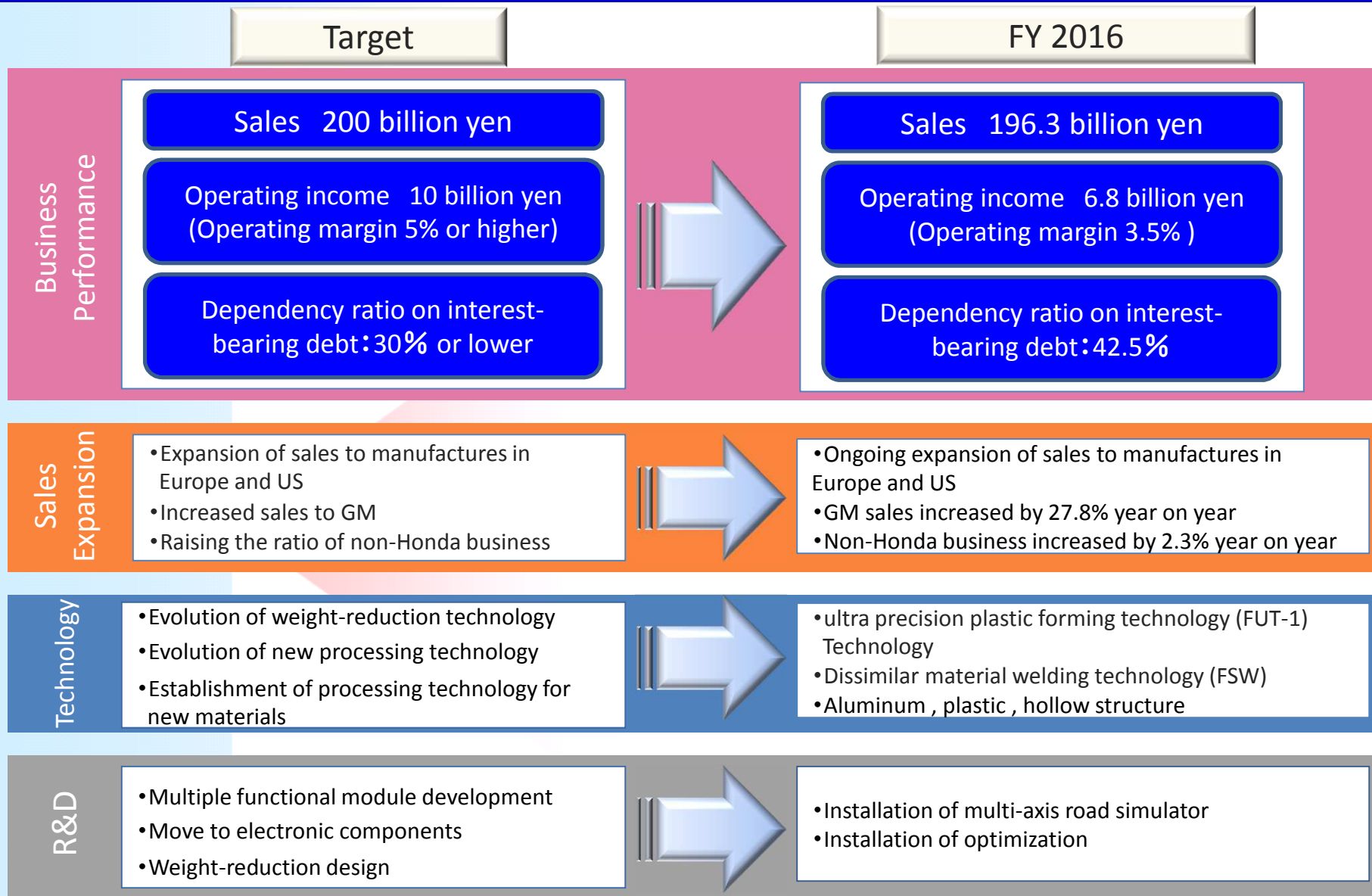
Technology

- Evolution of weight-reduction technology
- Evolution of new processing technology
- Establishment of processing technology for new materials

R&D

- Multiple functional module development
- Move to electronic components
- Weight-reduction design

Current Status of 12th Mid-Term Plan (FY 2015 - FY 2016)



Revolution to Chassis-System Structure

Change from individual function parts to multi functional chassis system Structure



Future

Develop the lightest weight as multi-functional system

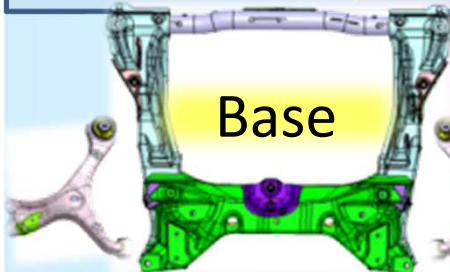
Quality assurance of parts with peripheral parts Installed

Achieve optimal processing technology

Optimal design by utilizing the simulation technology

Self-procurement of “Bush” and “ Ball Joint”

Develop and propose cost-competitive parts with lightest weight and high rigidity



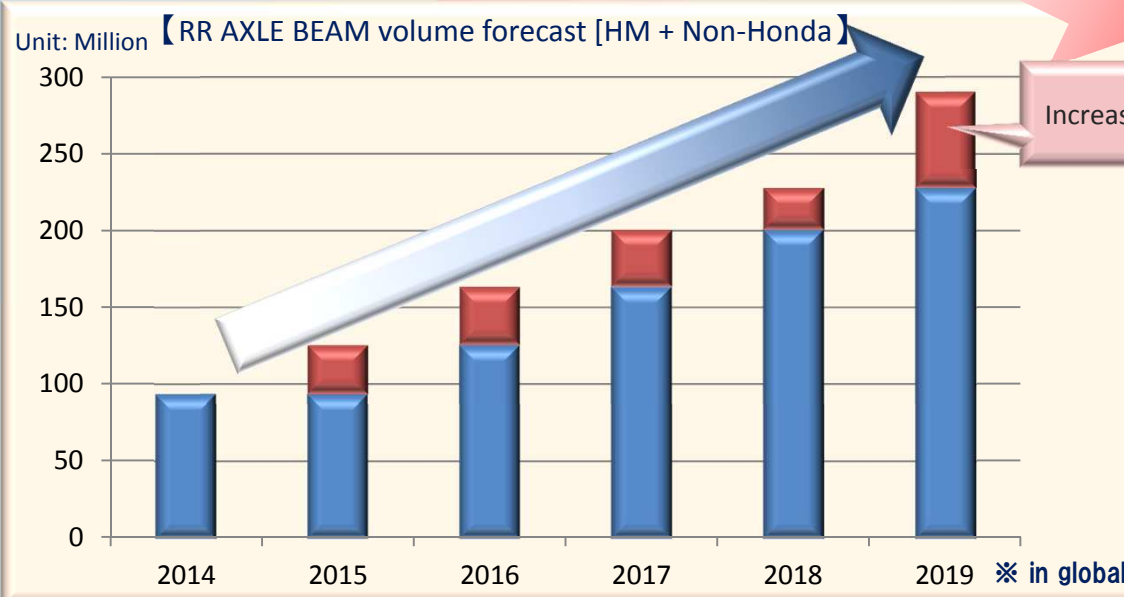
Base

F.Tech develops not only individual functional parts such as sub-frames and suspension arms, but also multi-functional chassis systems including assembled peripheral parts. Therefore, customer needs are properly incorporated and reflected to achieve optimal proposals.

Ultra Precision Plastic Forming Technology (FUT-1)



Ultra precise plastic processing technology 『FUT-1』 ≪ F.tech Ultimate Technologies System ≫

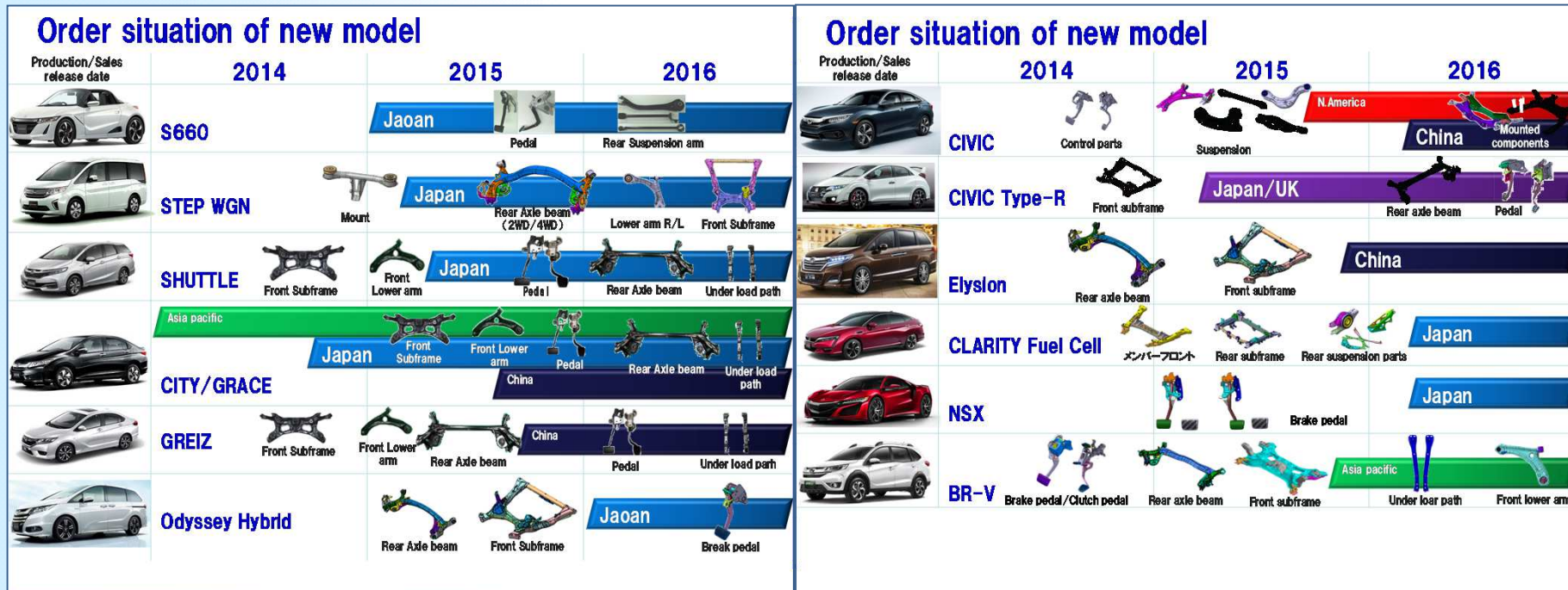


Increased

Tapping Process
 - Automation from manual work -
 - Reduction in cost -

Achieve "integrated automation lines"

New model business awarded from Honda



We acquire customers' confidence by achieving both light weight and strength/rigidity. We are awarded business continuously by meeting the requirements from customers

New Model Status

TOYOTA

~INNOVA~

Production volume: 26,400units/yr
Annual sales: 16.8M Php
Start of production: March 2016
(Philippines/FPMI)

Parts awarded

PEDAL ASSY, BRAKE



PEDAL ASSY, CLUTC



General Motors

~Cadillac SRX~

Production volume: 415,000units/yr
Annual sales: 56,025K USD
Start of production: February 2016
(America/FPA)

Parts awarded

FR CRADLE



FLCA R/L



SUZUKI

~ERTIGA~

Production volume: MT 64,000units/yr
AT 32,000units/yr
Annual sales: Rp 11,645 B/yr
Start of production: July 2015
(Indonesia/FTI)

Parts awarded

PEDAL ASSY, BRAKE
MT/AT



General Motors

~Camaro~

Production volume: 100,000units/yr
Annual sales: 11,100K USD
Start of production: October 2015
(Canada/FPC)

Parts awarded

RR CRADLE



Great proposals, readiness to respond, technological capability, and quality assurance as a manufacturer specialized in producing suspension
⇒ Acquire high evaluation from OEMs and expand global business

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FF Mass Production

CIVIC TYPE R

Debut in Europe in July, 2015

Demand for the FF Chassis which leads to the fastest car

Ultra-rigidity Mount & Suspension

Higher product accuracy

F. tech is the only manufacturer who achieves high level steering performance that the European market demands.
Products with a high degree of accuracy will be produced in Japan and delivered.



Will acquire high evaluation from HONDA of The UK

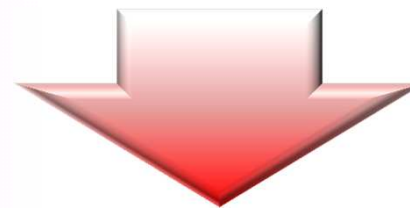


New Model CIVIC

Design
Driving
performance
Fuel economy
Safety

Aiming at the brand
new bench mark in
the compact class

F. tech demonstrated great developmental proposal, production technology capability, and mass production control structure in current Type-R.



High technology capability and mass production quality assurance in Japan is appreciated by customer, and decision has been made that production will be done in Japan following Type-R.

New Overseas Alliance Companies



Optimal supply structure for Global model

India Technological alliance corporation		Malaysia Technological alliance corporation	
Company name	VEEGEE INDUSTRIAL ENTERPRISES Pvt. Ltd.	Company name	ERECT ENGINEERING PRESSWORKS SDN. BHD.
Foundation	1990	Foundation	1998
Number of employees	1,400	Number of employees	261
Main products	Forming, SUB ASSEMBLE, TUBE/PIPE WELDING, etc.	Main products	FR SUBFRAME, RR AXLE, CONTROL ARM, ENGINE MOUNT, etc.
Main customers	Honda, Suzuki, GM, TATA, Eicher, Autoliv, Schneider, etc.	Main customers	Proton, Perusahaan, Honda, Toyota, Nissan, Mitsubishi, Isuzu, Daihatsu, etc.
Background and target	VEEGEE is the auto parts manufacturer which deals with various OEM, especially Maruti Suzuki Indian Limited, which market share is the biggest in India and other Asian countries. We will tighten the alliance with VEEGEE more, as we are assured that the India and other Asian countries' existence power will be expanding at this region in the auto field.	Background and target	Along with the enhancement of market share of OEM, if we take the particularity of Malaysian taxation system into consideration, local procurement is inevitable. Main customer of this corporation is the national policy company, "Proton", Therefore, we will keep on tightening our partnership for our future profitability.

In the countries where small production volume is required, F-tech will provide technical assistance, and complete trainings at local facilities so that all events from proto through mass production are achieved.

Awards From Customer

Award ceremony held In April 2016
We received Honda award for Quality, Delivery and Service Parts

Quality award



Quality of the mass-production parts

F&P Georgia

Delivery award



Timely carrying-in of mass-production parts

F&P America
F&P Canada

Service Parts award



High evaluation of carrying-in rate of old typed parts

F&P America
F&P Canada

In order to increase the quality level of entire F. tech group further,
⇒ We will transfer the know-how from Japan and aim at achieving world-leading quality.

ISO50001*
Requirement

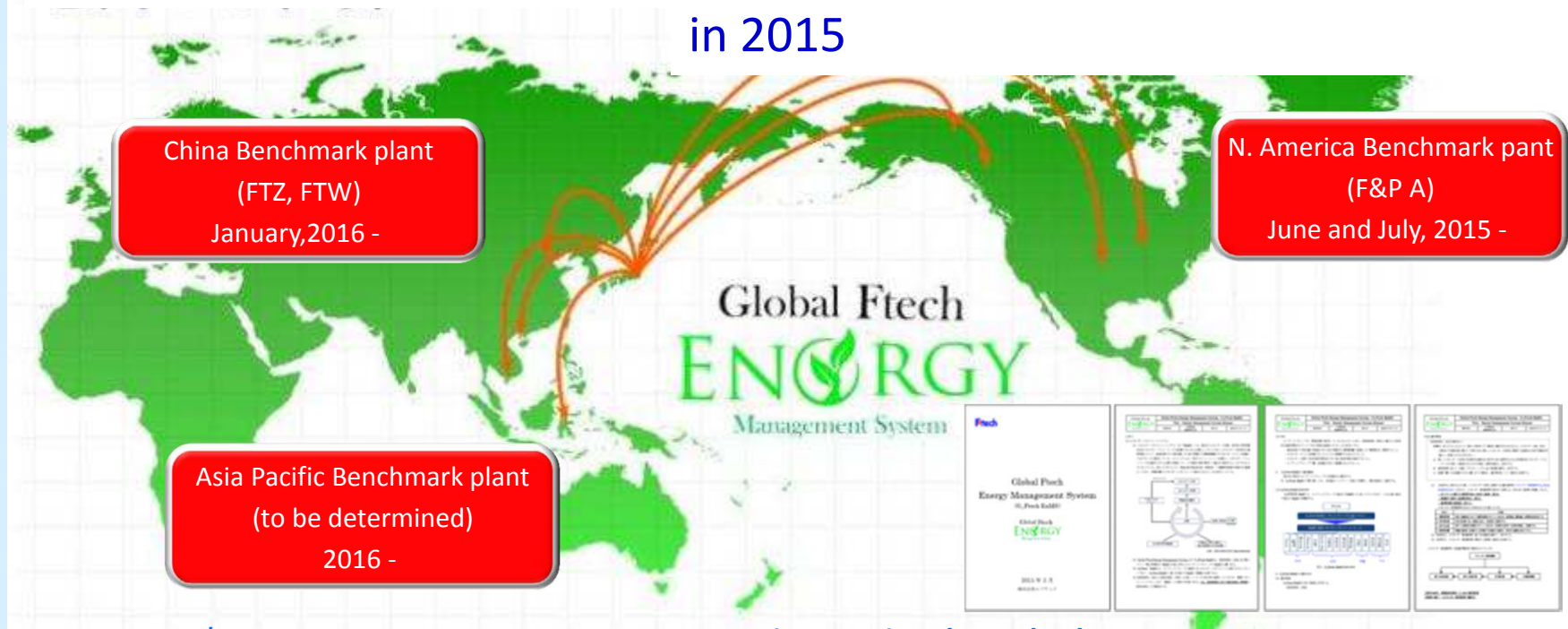
Kameyama
Plant EnMS

ISO50001
Family Standards

F.tech's Know-how in
Energy savings

Global F.tech Energy Management System

From Kameyama to the World Activities at overseas facilities started in 2015



* ISO50001: Energy management system international standard

F. Tech will comply with Corporate Governance Code with sincerity.

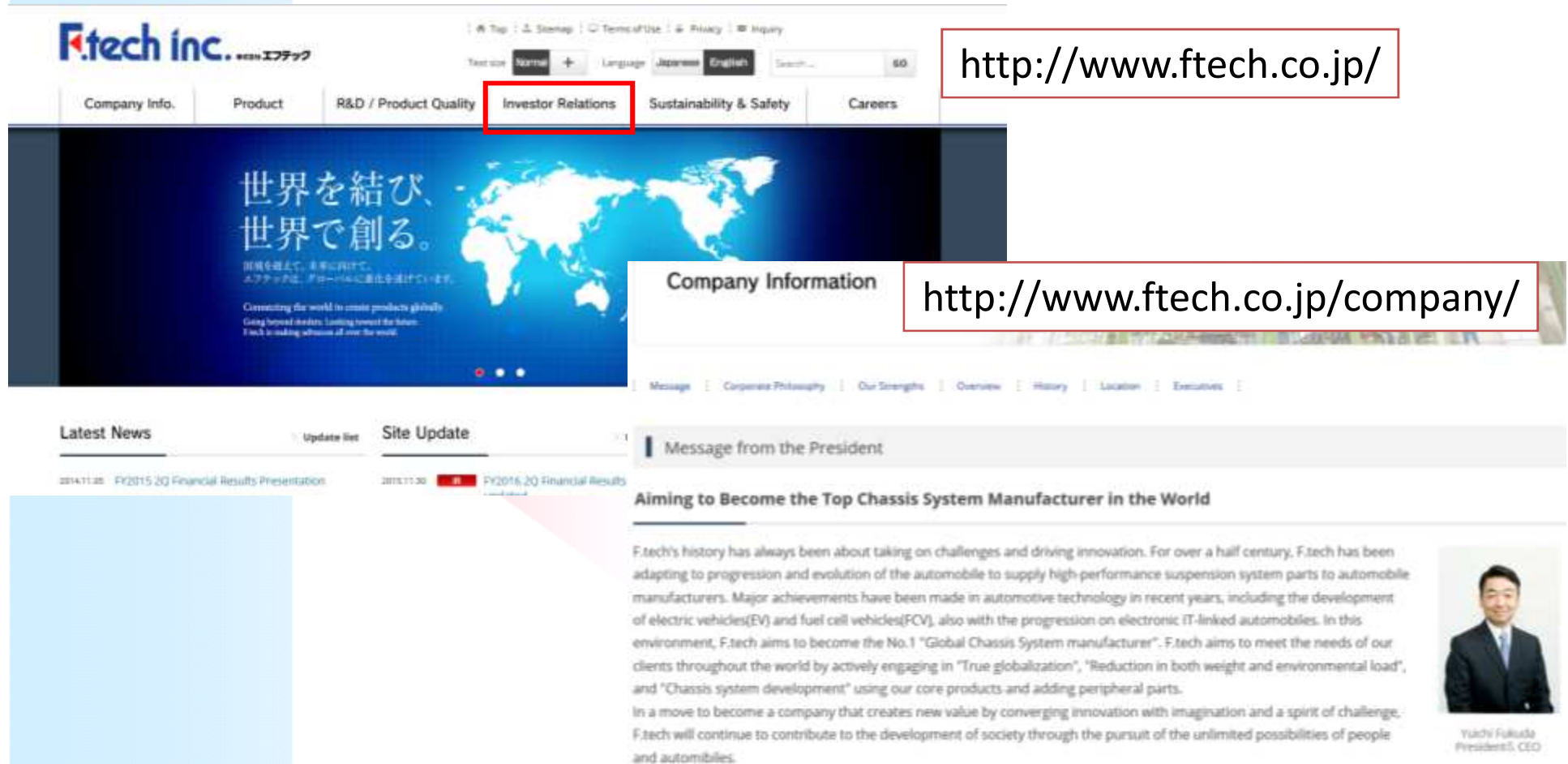
Corporate Governance Code	73 items
Items that require explanation	8 items

Status
Executed
Executed
Executed
Not yet executed
Executed
Executed
Executed

Principle 4.1.2 Electronic disclosure before sending the Notice of the General Meeting of Shareholders"
Principle 1.2.4 "Voting by the use of Electronic Voting Platform and English translations of the Notice of the General Meeting of Shareholders"
Principle 4.1.2 Stating that recognizing that a mid-term business plan is a commitment to shareholders, the board should do their best to achieve the plan.
Principle 4.2.1 Examination of introduction of remuneration system for management that uses the Company's own stock
Principle 4.8 Stating that Companies should appoint at least two independent directors that sufficiently have such qualities
Principle 4.10.1 Stating that Companies should strengthen the independence, objectivity and accountability of board functions on the matters of nomination and remuneration, by, for example, establishing optional advisory committees under the board to which independent directors make significant contributions.
Principle 4.11.3 Analysis and evaluation of effectiveness of the Board of Directors taken as a whole and summary of the results thereof

Our corporate website was renewed in July 7, 2015

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



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

<http://www.fttech.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:

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