

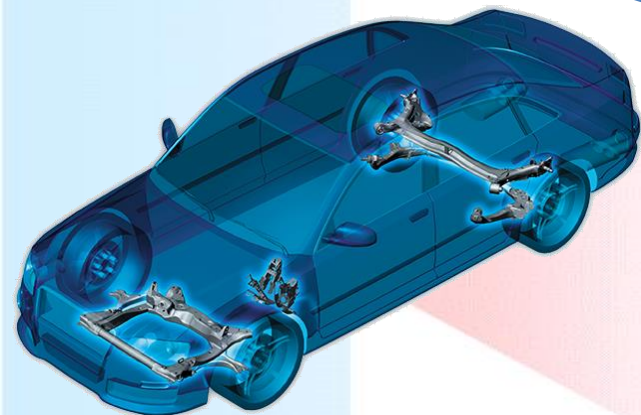
Fiscal Year Ending March, 2022 2nd Quarter Financial Results

Nov 5th, 2021

F-TECH Inc.

TSE 1st section :7212

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



1

Financial Summary

2

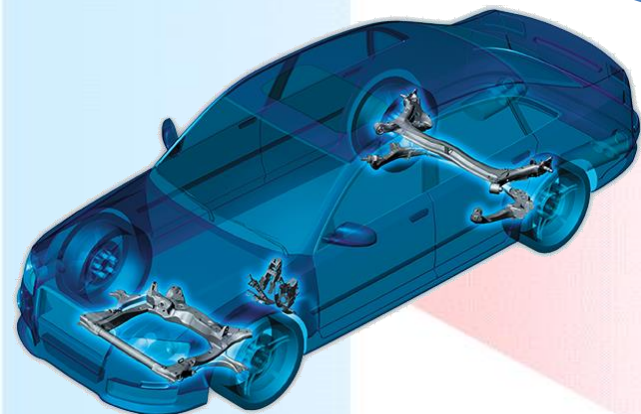
Earnings Forecast

3

Management Strategy

4

Topics



1

Financial Summary

2

Earnings Forecast

3

Management Strategy

4

Topics

Consolidated Financial Results Overview (Year on Year)



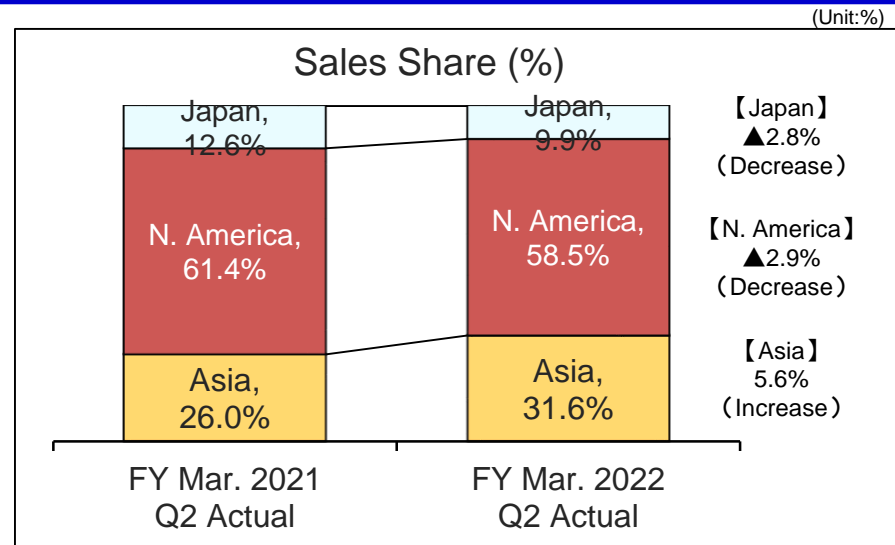
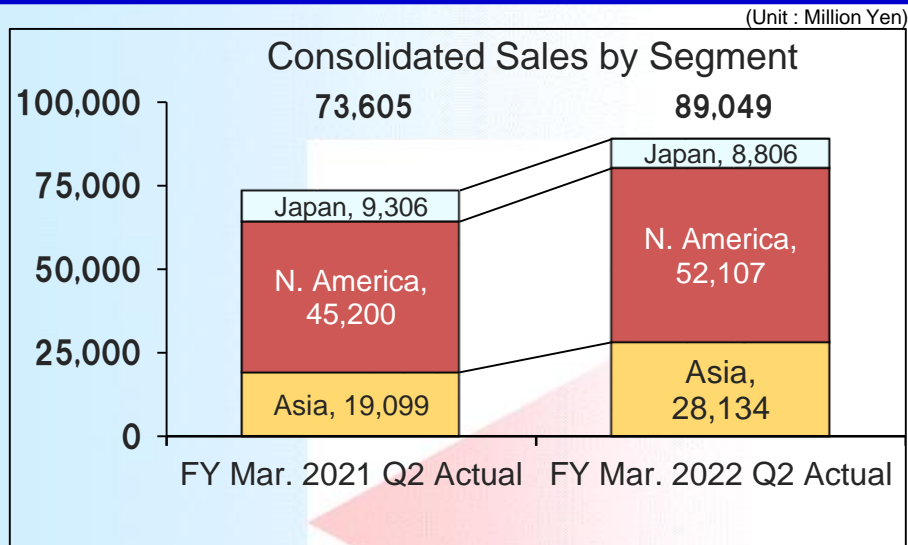
(Unit : Million Yen)

	FY Mar. 2021 Q2 Actual		FY Mar. 2022 Q2 Actual		Difference	
Sales	73,605	100.0%	89,049	100.0%	15,443	21.0%
Operating Profit	▲1,665	▲2.3%	▲1,424	▲1.6%	241	-
Ordinary Profit	▲2,296	▲3.1%	▲1,627	▲1.8%	669	-
Profit Attributable to Owners of Parent	▲3,345	▲4.5%	▲2,340	▲2.6%	1,005	-
Earnings per share (Yen)	▲179.38	-	▲125.94	-	53.44	-

	FY Mar. 2021	FY Mar. 2022	Difference
1US\$	106.32 yen	110.10 yen	3.78 yen
1CAN\$	78.53 yen	88.59 yen	10.06 yen
1Yuan(RMB)	15.32 yen	16.76 yen	1.44 yen

Increase in sales and profit (Sales were weak due to the impact of COVID-19 (Lockdown, etc.) in the same period of the previous year, still struggling to return to the original sales this year.)

Consolidated Sales (Year on Year)



Change in Consolidated Sales

	FY Mar. 2021 Q2	FY Mar. 2022 Q2	Difference	Difference(%)	FX Impact	Net Difference	Difference(%)
Japan	9,306	8,806	▲499	▲5.4%	-	▲499	▲5.4%
N. America	45,200	52,107	6,907	15.3%	3,466	3,442	7.6%
Asia	19,099	28,134	9,035	47.3%	2,109	6,927	36.3%
Consolidated	73,605	89,049	15,433	21.0%	5,575	9,869	13.4%

Factors of Increase: In Q1, sales in North America and Asia increased, in Q2, sales declined on a standalone basis, the effects of semiconductor shortages became more serious starting Q2

Operating Profit by Segment (Year on Year)

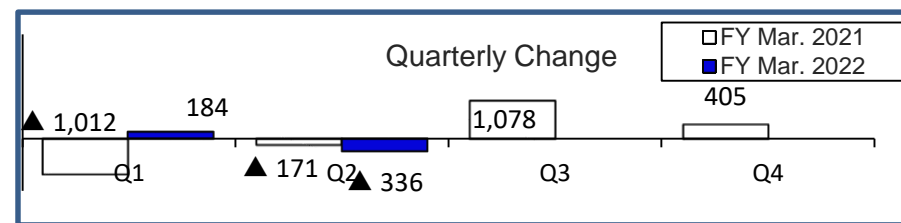
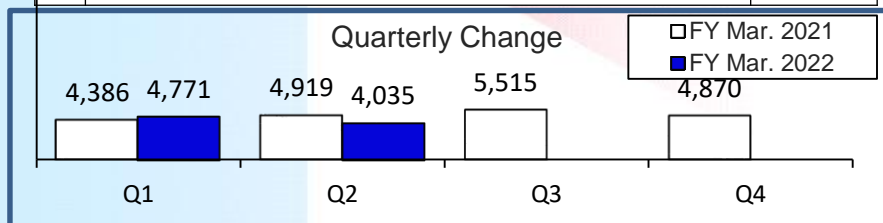
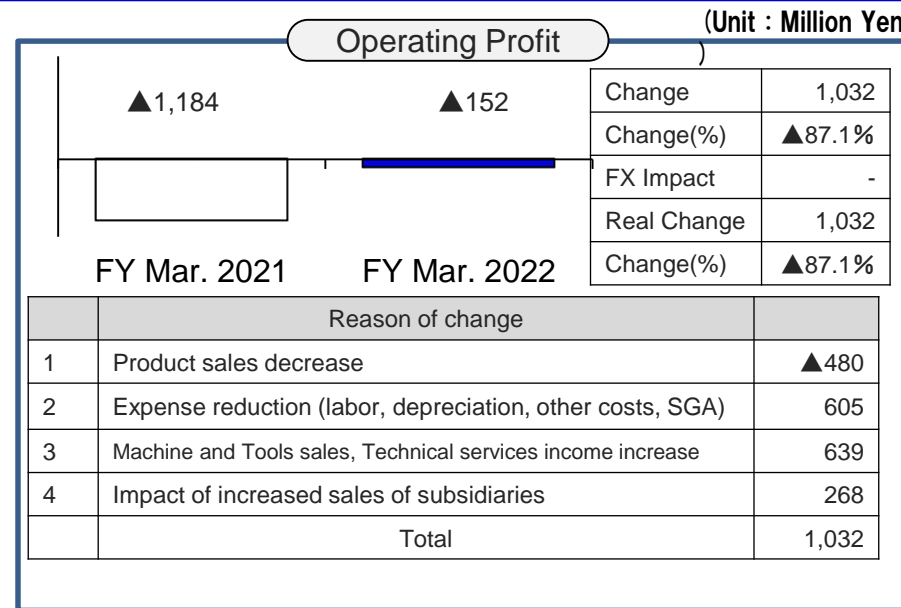
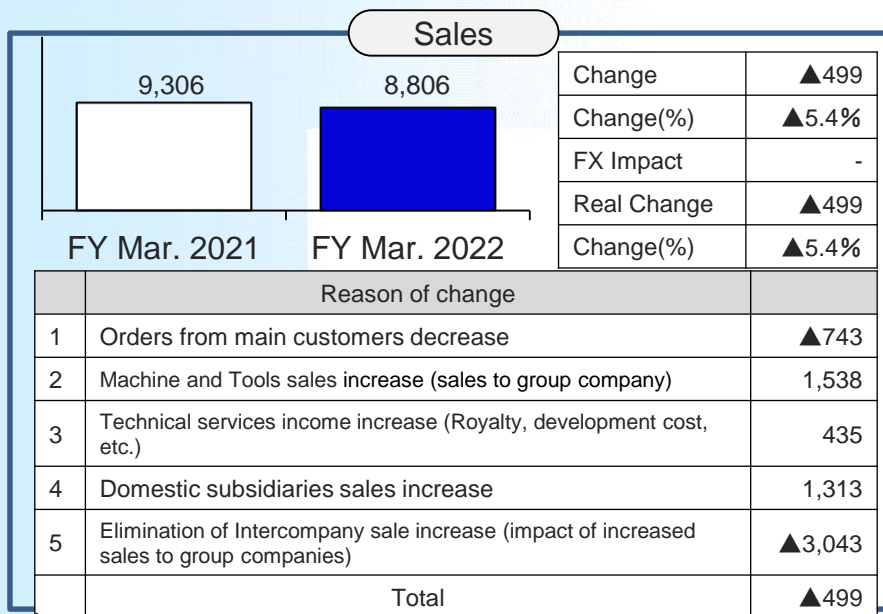
(Unit : Million Yen)

(Unit:%)

	Operating Profit			
	FY Mar. 2021 Q2 Actual	FY Mar. 2022 Q2 Actual	Difference	Difference (%)
Japan	▲1,184	▲152	1,032	▲87.1%
N. America	▲1,315	▲2,148	▲833	63.3%
Asia	723	1,020	297	41.1%
Total	▲1,776	▲1,280	496	▲27.9%
Adjust	111	▲143	▲254	▲229.4%
Consolidated	▲1,665	▲1,424	241	▲14.5%

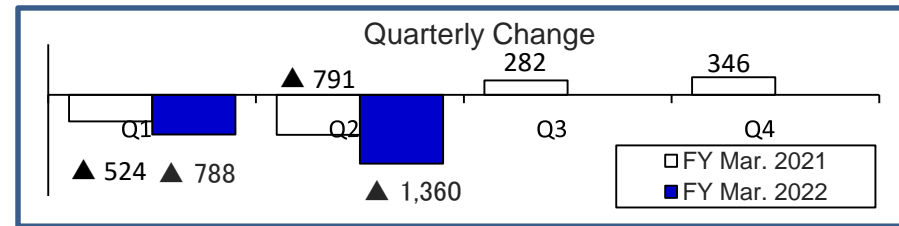
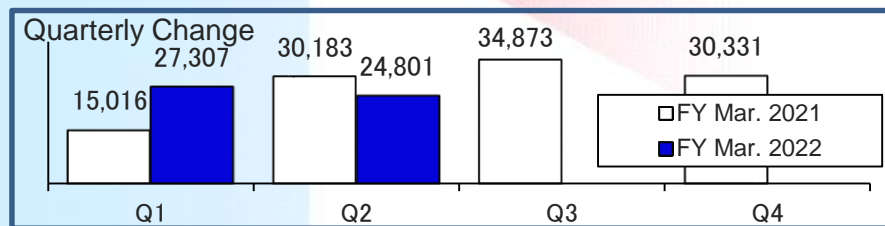
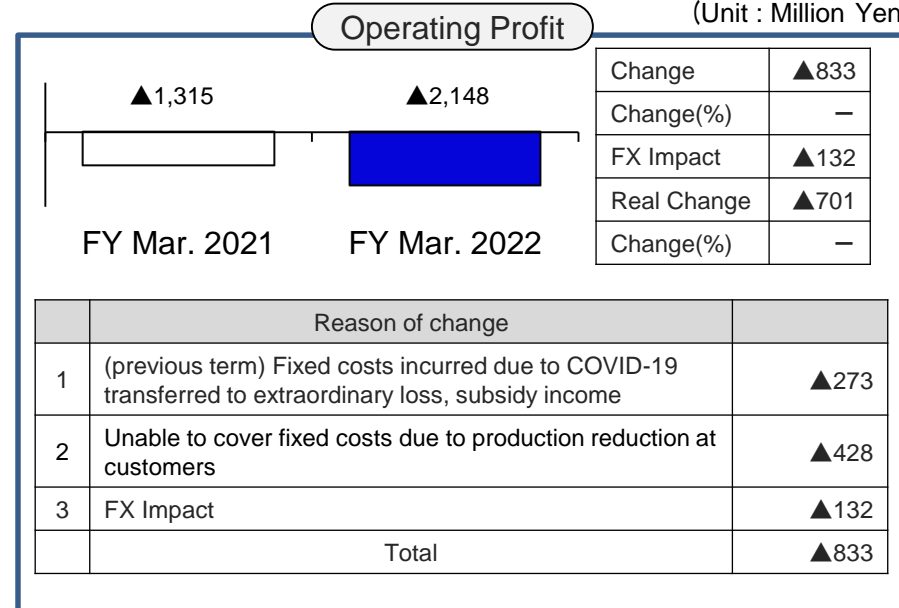
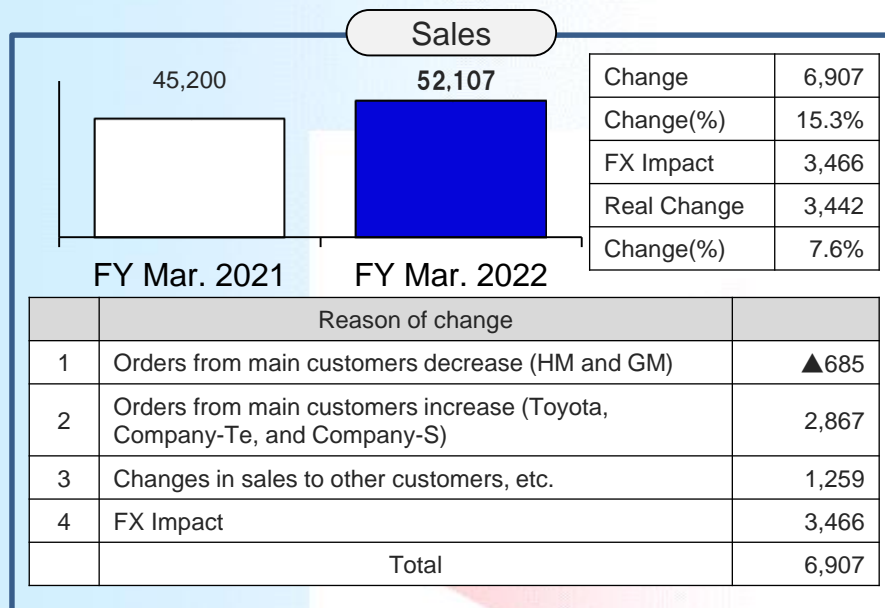
Share		
FY Mar. 2021 Actual	FY Mar. 2022 Actual	Difference (%)
71.1%	10.7%	▲60.4%
79.0%	150.9%	71.9%
▲43.4%	▲71.6%	▲28.2%
106.7%	89.9%	▲16.8%
▲6.7%	10.1%	16.8%
100.0%	100.0%	-

Operating Performance by Segment (Japan)



Despite decrease in sales to main customers, profit increased due to effect of cost reduction and increased product sales

Operating Performance by Segment (N. America)

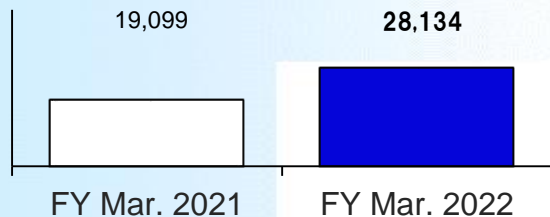


Sales increased from the previous term, but decreased significantly compared to the plan, Profitability deteriorated due to inability to cover fixed costs resulted from production decline due to semiconductor shortages

Operating Performance by Segment (Asia)

(Unit : Million Yen)

Sales



Change	9,035
Change(%)	47.3%
FX Impact	2,109
Real Change	6,927
Change(%)	36.3%

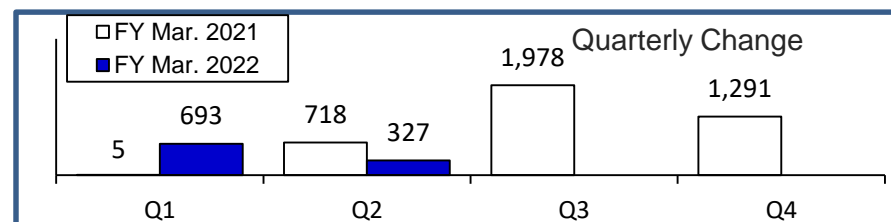
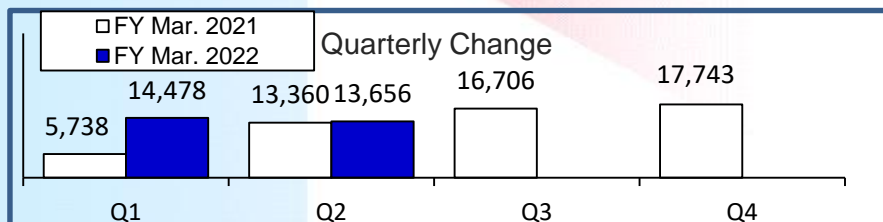
Operating Profit



Change	297
Change(%)	41.1%
FX Impact	110
Real Change	187
Change(%)	25.9%

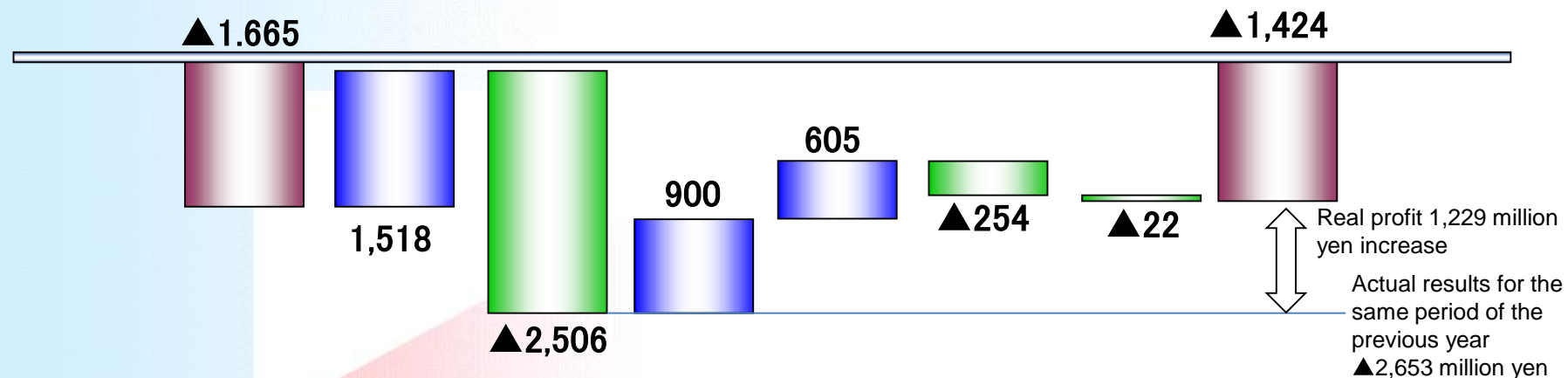
Reason of change		
1	(HM) Sales increase in China	4,943
2	(Other customers) Sales increase in China	220
3	(HM) Sales increase in Asia	836
4	(Other customers) Sales increase in Asia	928
5	FX Impact	2,109
Total		9,035

Reason of change		
1	(previous term)Fixed costs incurred due to COVID-19 transferred to extraordinary loss	▲714
2	Impact of sales increase in China	528
3	Impact of sales increase in Asia	373
4	FX Impact	110
Total		297

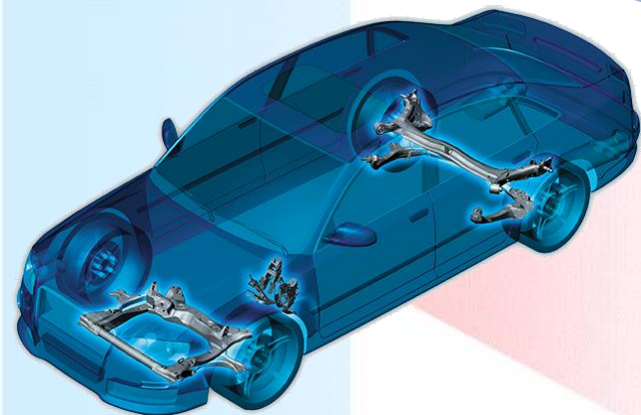


Sales returned to normal level in Q1, but Q2 was weak and sales and profits did not increase

Change in Operating Profit by Segments (FY Mar. 2022 Actual)



	FY Mar. 2021	Extraordinary income for the previous term	Transfer of extraordinary loss due to COVID-19	Machine and Tools sales Impact	Cost reduction	Consolidated adjustment	FX Impact	FY Mar. 2022	Difference
Japan	▲1,184	100	▲100	427	605			▲152	1,032
N. America	▲1,315	1418	▲1,692	▲428			▲132	▲2,148	▲833
Asia	723		▲714	901			110	1,020	297
Adjustment	111					▲254		▲143	▲254
Consolidated	▲1,665	1,518	▲2,506	900	605	▲254	▲22	▲1,424	241



1

Financial Summary

2

Earnings Forecast

3

Management Strategy

4

Topics

Consolidated Budget Overview (Comparison with the previous forecast)



(Unit: Million Yen)

	FY Mar 2022 Last Forecast		FY Mar 2022 Current Forecast		Difference	
Sales	220,000	100.0%	195,000	100.0%	▲25,000	▲11.4%
Operating profit	4,500	2.0%	1,300	0.7%	▲3,200	▲71.1%
Ordinary profit	3,700	1.7%	800	0.4%	▲2,900	▲78.4%
Profit Attributable to owners of parent	1,000	0.5%	▲900	▲0.5%	▲1,900	▲190.0%
Earnings per share (Yen)	53.81	—	▲48.42	—	▲102.23	▲190.0%

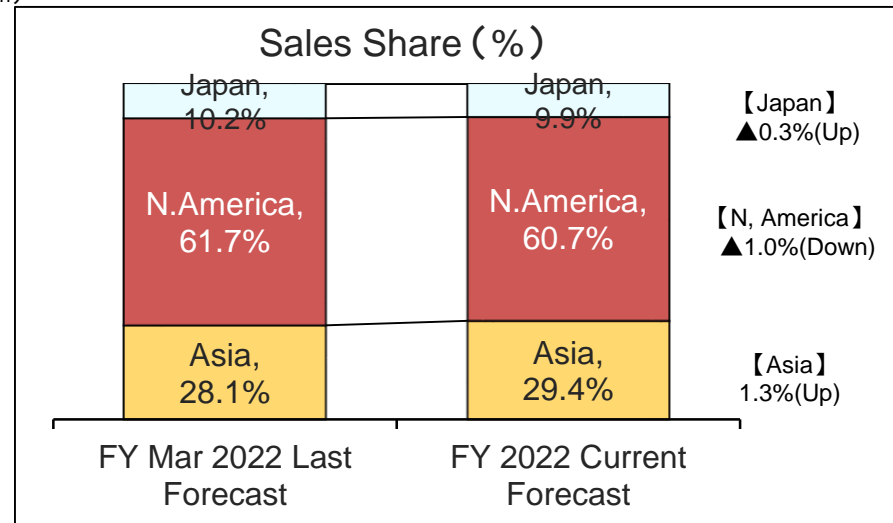
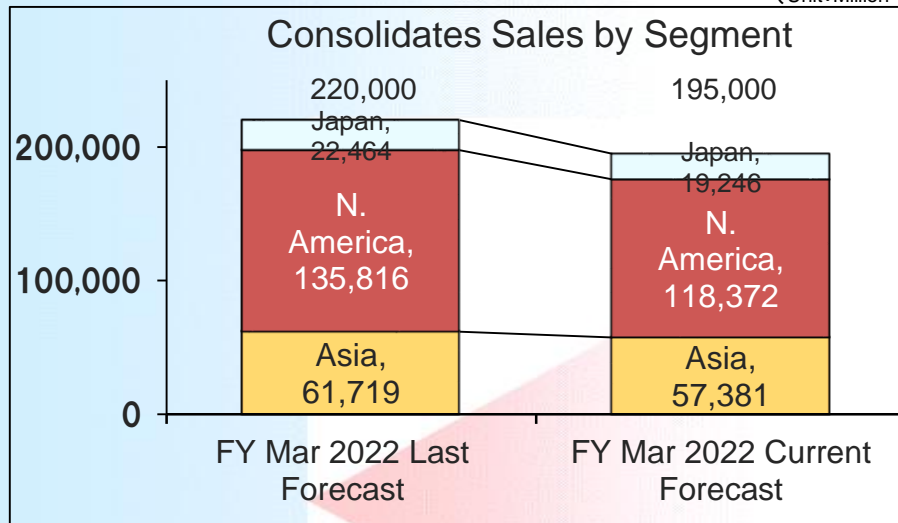
FX Impacts

	Last Forecast	Current Forecast	Difference
1US\$	106.19 yen	108.55 yen	2.36 yen
1CAN\$	88.01 yen	86.30 yen	▲1.71 yen
1Yuan(RMB)	16.53 yen	16.73 yen	0.20 yen

Revenue deteriorated significantly due to production fluctuation (decrease) at the customers and sales decrease in all segments.

Consolidated Sales (Comparison with the previous forecast)

(Unit: Million Yen)



Change in Consolidated Sales

	Last Forecast	Current Forecast	Difference	Difference(%)	FX Impacts	Actual Difference	Actual Difference(%)
Japan	22,464	19,246	▲3,218	▲14.3%	—	▲3,218	▲14.3%
N. America	135,816	118,372	▲17,444	▲12.8%	161	▲17,606	▲13.0%
Asia	61,719	57,381	▲4,337	▲7.0%	589	▲4,926	▲8.0%
Consolidated	220,000	195,000	▲25,000	▲11.4%	750	▲25,750	▲11.7%

Sales decreased in all segments. (excluding FX impact, results would be same level as previous year)

Operating profit by Segment (Year-over-year basis)

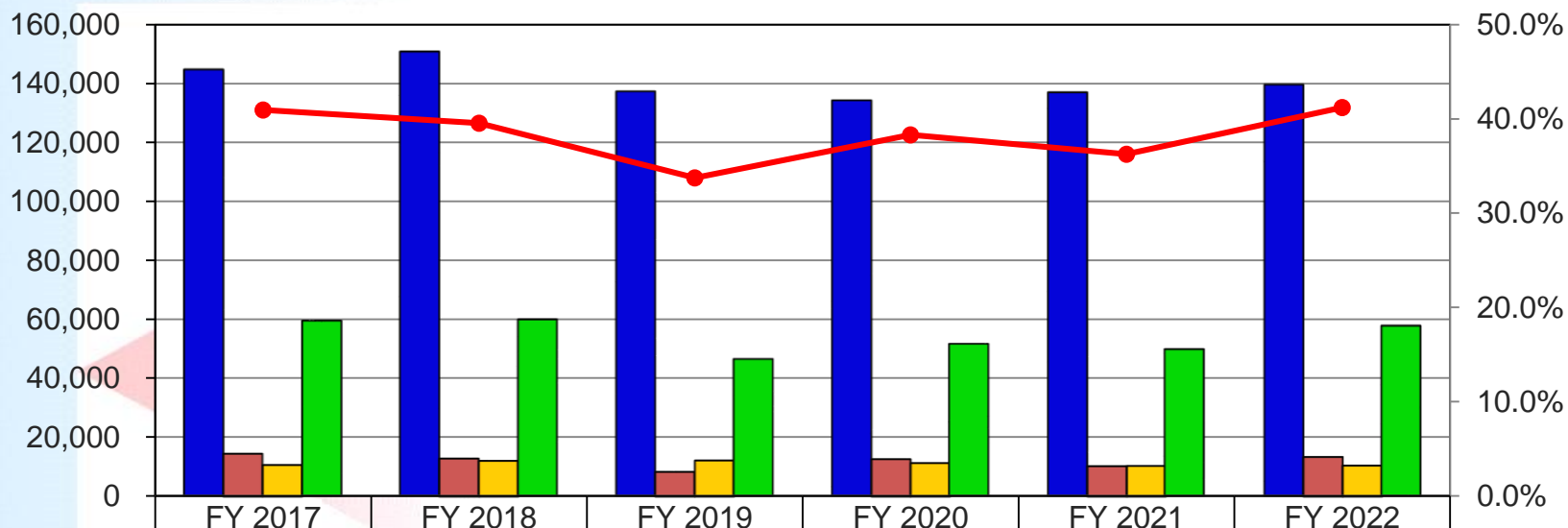
(Unit: Million Yen)

	Operating Profit			
	FY Mar 2022 Last Forecast	FY Mar 2022 Current Forecast	Difference	Difference (%)
Japan	1,962	1,001	▲960	▲49.0
N. America	▲489	▲2,079	▲1,589	—
Asia	3,816	2,996	▲820	▲21.5
Total	5,289	1,917	▲3,371	▲30.0
Adjust	▲789	▲617	171	—
Consolidated	4,500	1,300	▲3,200	▲71.1

(Unit: %)

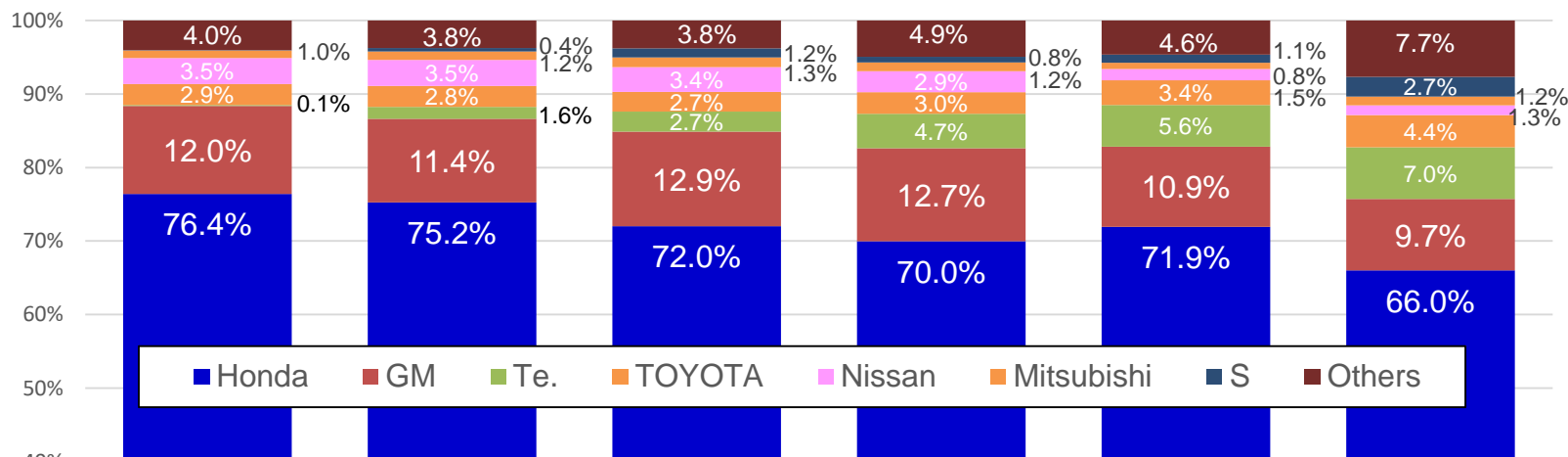
Share		
FY Mar 2022 Last Forecast	FY Mar 2022 Current Forecast	Difference
43.6%	77.1%	33.4%
▲10.9%	▲160.0%	▲149.1%
84.8%	230.5%	145.6%
117.5%	147.5%	30.0%
▲17.5%	▲47.5%	▲30.0%
100.0%	100.0%	—

(Unit: Million Yen)



Total	144,420	150,525	137,010	134,038	136,714	139,316
Capital Investment	14,094	12,435	8,056	12,238	10,010	12,977
Depreciation	10,335	11,666	11,720	10,890	10,032	10,037
Interest-Bearing Debt	59,129	59,510	46,220	51,342	49,565	57,400
Interest-Bearing Debt Ratio	40.9%	39.5%	33.7%	38.3%	36.3%	41.2%

Sales Changes by Customer



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Honda	151,282	170,089	169,512	153,004	132,123	128,729
GM	23,683	25,782	30,258	27,719	20,051	18,973
Te.	247	3,661	6,443	10,211	10,374	13,680
TOYOTA	5,658	6,428	6,300	6,471	6,178	8,558
Nissan	6,985	7,957	7,977	6,275	2,825	2,595
Mitsubishi	2,036	2,648	3,051	2,597	1,541	2,256
S	71	1,010	2,913	1,686	2,066	5,255
Others	7,979	8,485	8,907	10,749	8,488	14,954
	197,941	226,060	235,361	218,712	183,647	195,000

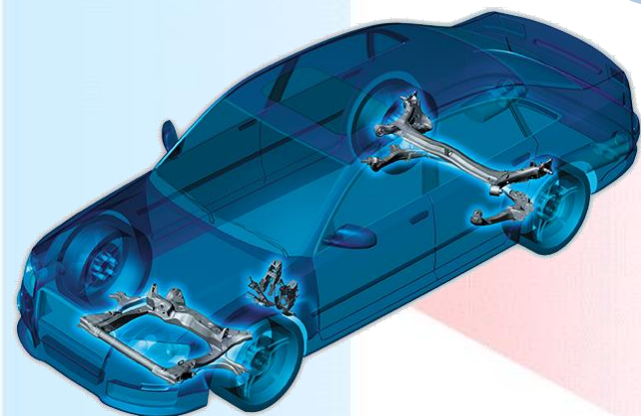
	End of Q1	End of Q2	End of Q3	End of the Term	Total	Payout Ratio
FY Mar. 2021 Actual	-	0 yen	-	8 yen	8 yen	-
FY Mar. 2022 Forecast (Last time)	-	8 yen	-	10 yen	18 yen	33.5%

FY Mar. 2022 Forecast (This time)	-	0 yen	-	10 yen	10 yen	-
Difference from FY Mar 2021 Actual		-		2 yen	2 yen	-
Difference from the last forecast	-	▲8 yen		0 yen	▲8 yen	-

Dividend Policy

*No interim dividend will be paid out for FY Mar 2022 due to downward revision of consolidated earnings forecast.

F.tech's basic policy regarding the profit distribution is based on the business performance. Along with reinforcing our financial characteristics, we will review profit situation and future business opportunities from a long-term perspective, and distribute profit back to shareholders



1

Financial Summary

2

Earnings Forecast

3

Management Strategy

4

Topics

14th Midterm Business Plan

Company Policy: Let's exceed our limits!

We will, without compromise, produce the "Best One" for all our customers.

66th term (FY2021)

67th term (FY2022)

68th term (FY2023)

Back to Basics

~Master what you suppose to do~

◇ Achieve profit at all facilities ◇ Evolution of the simulation ◇ Revival of domestic facilities

Challenge for New

~Challenge to create new value~

◇ Acquire new customers ◇ Challenge in new regions ◇ Create new business opportunities

Maximize group efficiency

Target

【Productivity】

- Improving manpower efficiency

【Efficiency】

- Automated inspection device

【Profitability】

- Reducing scrap cost
- Turning FCF in the black

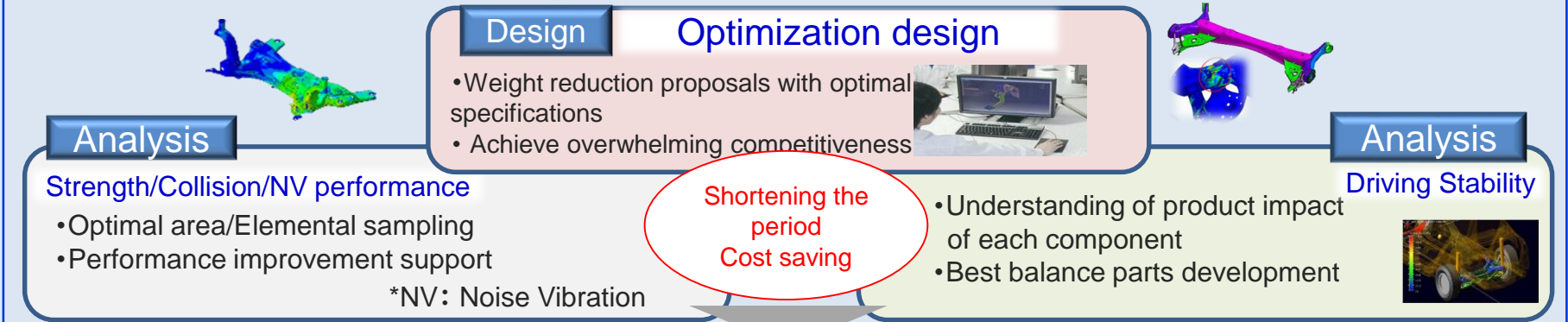
Our Vision : Aim to become the world's leading supplier specializing in the area of underbody functions

14th Midterm Three Year Business Plan

		FY2021	FY2022	FY2023
Original Plan	Sales	216 Billion yen	222 Billion yen	2150 Billion yen
	Operating Profit	5 Billion yen	7 Billion yen	7.5 Billion yen
	Operating Profit ratio	2.3%	3.2%	3.5%
After COVID-19 impact	Sales	183.6 Billion yen	195 Billion yen	-
	Operating Profit	3.07 Billion yen	1.3 Billion yen	-
	Operating Profit ratio	1.7%	0.7%	-

Significant decrease in sales and profit is expected due to the impact of production adjustments by OEMs as a result of supply chain disruptions caused by lockdown in Southeast Asia

Technologies and know-how that have been refined by F-tech



Proto-less development system (complete with design and analysis)

Responding to OEM requirements with advanced analysis capabilities

Requirements by OEM

Shortening development period Cost saving EVs Weight reduction Durability High-quality High-efficiency

CPE: Cyber Physical Engineering

Technologies to quickly and efficiently support the whole process of manufacturing, including planning, design, prototype, certification, and production in cyberspace

Acquisition of CAE data for one vehicle

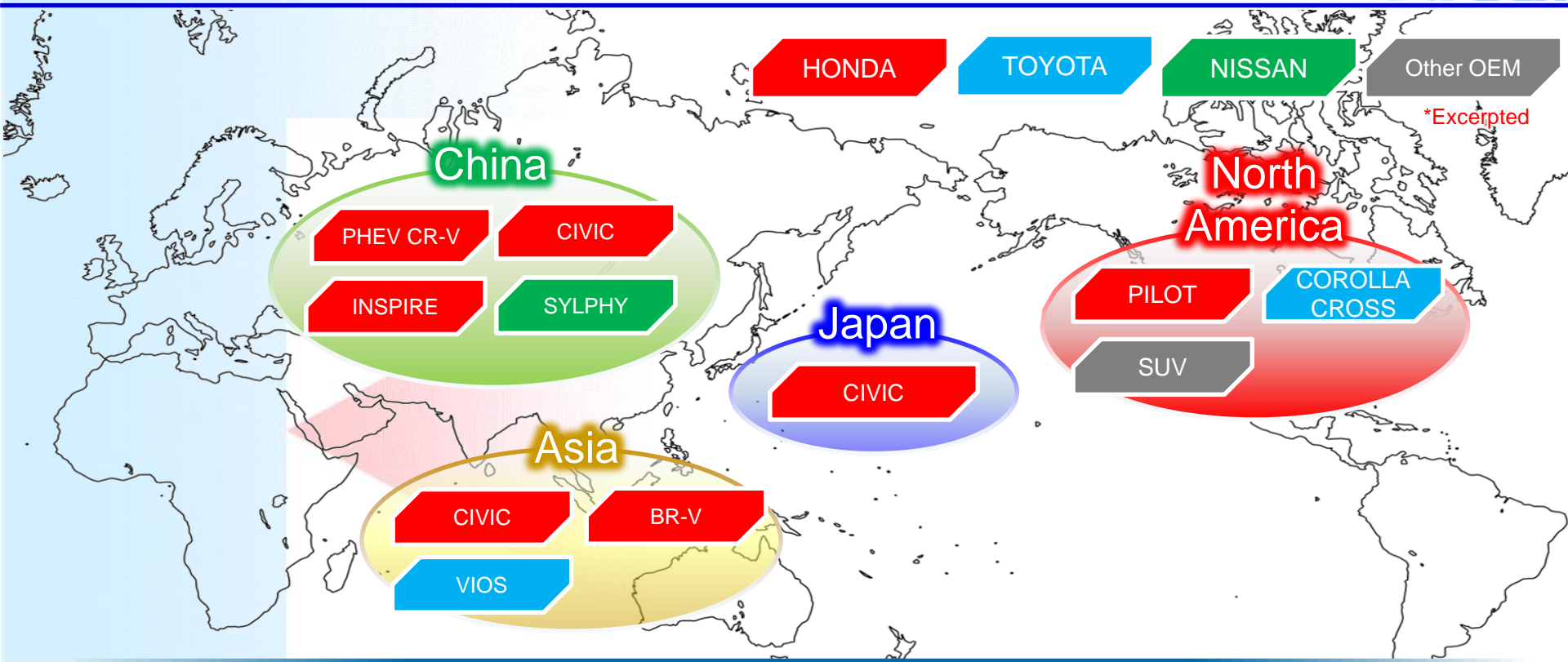
- Acquisition of know-how of digital technologies
- Introduction of digital transformation toward manufacturing
- Development of auto parts for the next generation automobiles taking advantage of our know-how



Digital data ~ Further evolution of CAE analysis

*CPE Technology
Research Association
(Established in Sep. 2021)

We Participate in CPE Technology Research Association to further improve development capabilities



We achieved stable start-ups of a number of new models in various regions

• Making final preparations to start mass production of chassis products

2 experts for manufacturing and quality control were dispatched in April 2021



Concluded technical assistance agreement with VeeGee
Supply of product to SMG began

2014-2017

JV Corporation established in Gujarat
Supply of product to SMG began

2020-2021

Produce high quality chassis products with high efficiency
⇒ supply to SMG (400,000pcs/year)

2023

Complete capacity expansion
Expand supply to SMG
Develop new products

2025



Reinforce activities
Establish new plants

2028

Challenge for the potential growth in India



2030

SMG: Suzuki Motor Gujarat

We are steadily developing for Business in India with our partner



F&P MFG DE MEXICO, S.A. DE C.V.

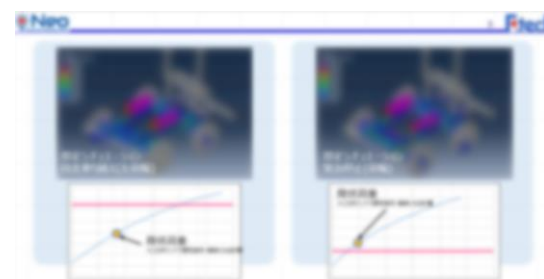
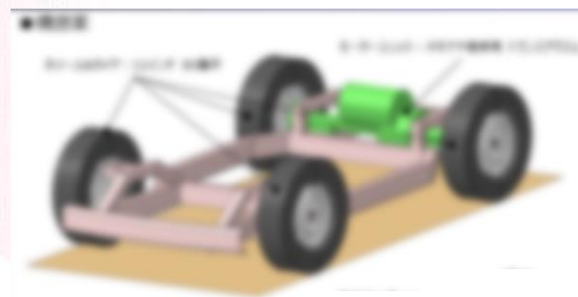
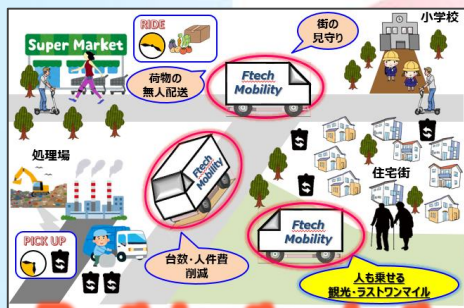
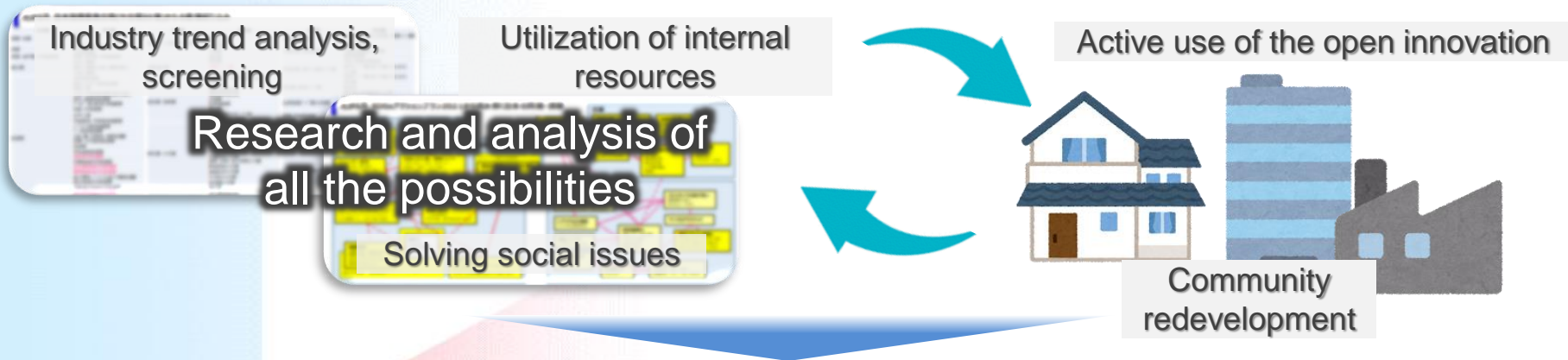


Newly received an order of chassis parts from advanced EV manufacturer in the U.S.

Investment objective	Expansion of production capacity
Time of investment	From 2021 to 2022
Construction plan	Aug, 2021 Building expansion began April, 2022 Installation of paint equipment Dec. 2022 Starting operation *Planning the expansion of stamping capacity

- Moving toward the new growth, seeing the shift to EV as an opportunity
- Expansion of the supply capacity for EV parts

Responding to the accelerated shift toward EV by OEM, we are strengthening the production system



Participation in the development of next generation and compact mobility

Working toward the realization of new mobility society and smart city

Primary judgement results by TSE

Items	Conditions to be listed in Prime market	Judgement results
Number of shareholders	800	○
Number of shares in circulation	In units of 20,000	○
Total market value of shares in circulation	10 Billion yen	Not achieved (9.1 Billion yen)
Average trading volume per day	20 Million yen	○
Ratio of shares in circulation	35%	○

Direction of activities to increase market value of shares in circulation

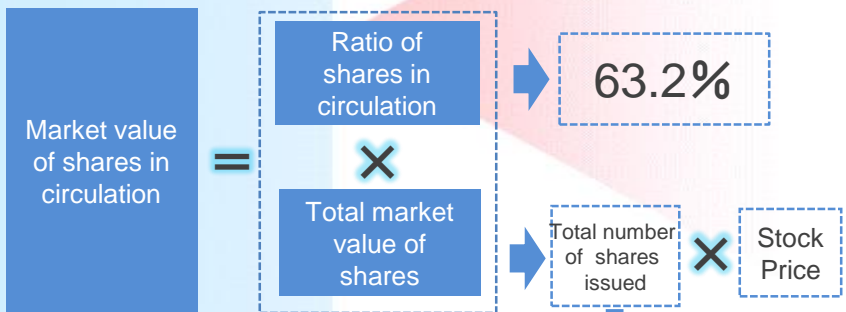
- Improving performance and management measurables by promoting mid-term business plans
 - Responding actively to EV market and growing regions
- Strengthening governance & CSR initiatives
- Improving ratio of shares in circulation by stock policy
- Developing IR and public relations activities
 - Enhancement of dialogue with shareholders and investors

We aim to meet the requirement of the market value of shares in circulation by expanding sales for EV business

Primary judgement by TSE

Item	Numerical value
Total number of shares issued	18,712,000
Number of shares in circulation	11,843,000
Ratio of shares in circulation	63.2%

Calculation of Market value of share in circulation

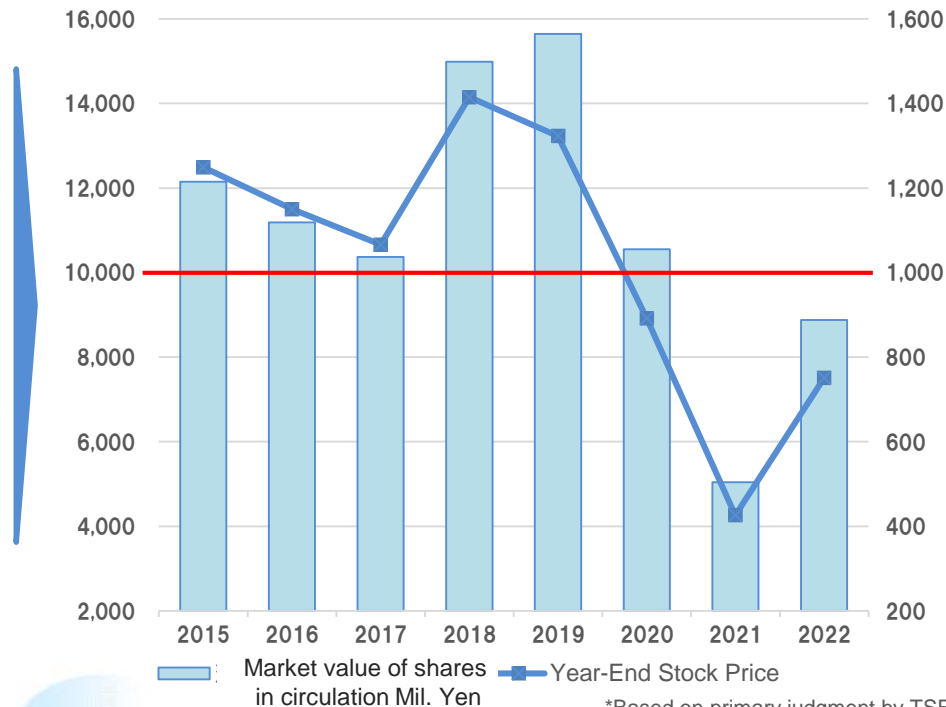


FY	2015	2016	2017	2018	2019	2020	2021	2022
Number of shares	15,390	15,390	15,390	16,760	18,712	18,712	18,712	18,712

Stock price and Market value of shares in circulation

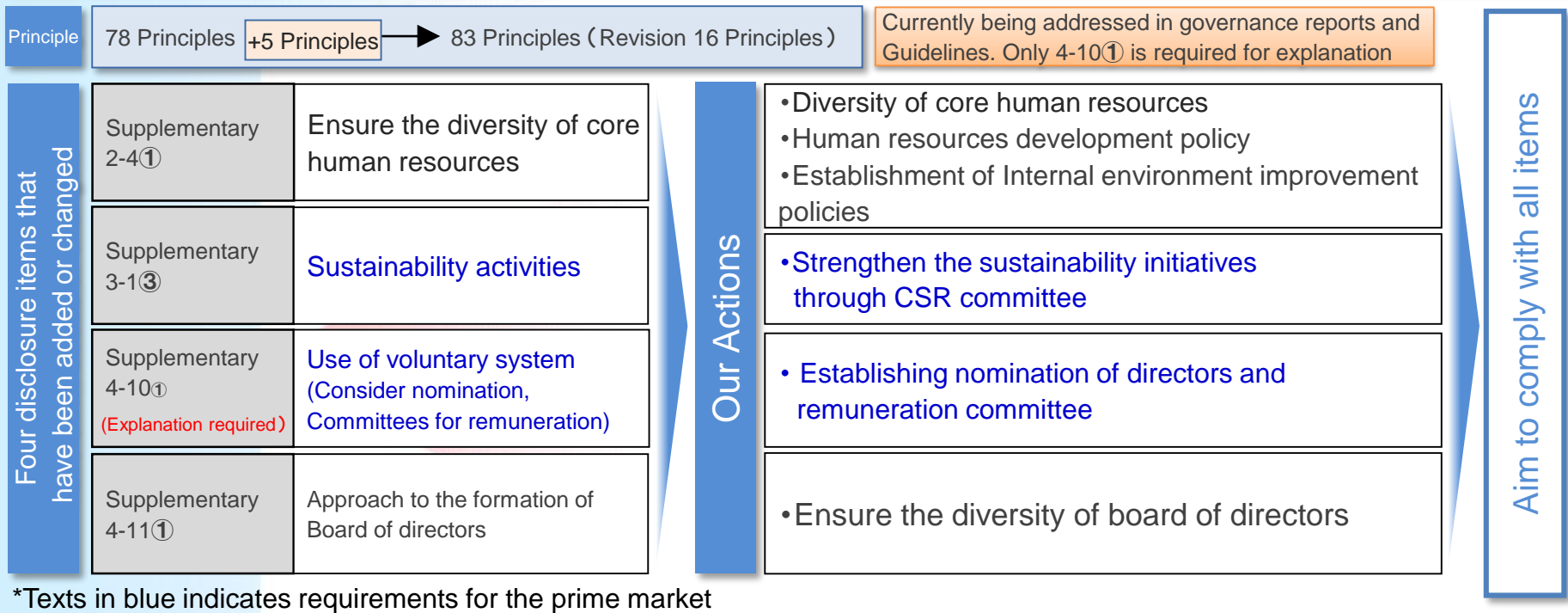
Market value of shares in circulation
(Million Yen)

Year-end stock price
(Yen)



*Based on primary judgment by TSE

Revision of corporate governance code



We are enhancing governance structure to improve corporate value

Topics and Concerns

Our Approach

Goal

Environmental

- Reduction of CO2 emissions
- Environmental conservation of air, water, soil, etc.
- Saving resources and reduction of water and waste
- Management of chemical substances
- Development of products with environmental consideration
- Preservation of biodiversity

【New global environmental target for 2030】

- CO2 emission: reduce by 18%
- Water consumption: reduce by 14%
- Waste discharge: reduce by 13%
(Base year: FY2018, Indicator: Sales)
- Enhancing the quality and quantity of disclosure based on the framework of **TCFD**

Social

- Creating comfortable work environment
- Quality initiatives
- Relations with shareholders, investors and society

- Initiatives on Diversity and Work-Life Balance
- Implementation of comprehensive evaluation regarding quality on each product
- Development of IR and disclosure appropriately and in a timely manner

Governance

- Evolution of corporate governance
- Global expansion of CSR activity
- Global expansion of risk management

- Reinforce CG preparation and execution corresponding to CG codes
- Make CSR action guidelines well known implemented globally
- Continue to improve BCP level, increase IT security



We identify priority and promote implementation throughout the group



- 1 Financial Summary
- 2 Business Forecast
- 3 Management Strategy
- 4 Topics

Quality Initiatives

* Awards received in the first half of 2021 (April –September)

Received Quality Excellence Award
Supplier Quality Excellence Award

2020
F&P MFG DE MEXICO, S.A. DE CV



Awarded
2 consecutive years

◆ Awarded by General Motors

Received Quality Excellence Award
Supplier Quality Excellence Award

2020
F&P AMERICA MFG., INC.



Awarded for the first time

◆ Awarded by General Motors

Received Nissan Global Quality Award



F-tech global

Awarded for the first time

◆ Awarded by Nissan Motor

Received Nissan supplier Quality Award



F&P Georgia, A division of F&P America Mfg., Inc

Awarded for the first time

◆ Awarded by Nissan North America

Delivery Initiatives

Letter of appreciation for customer delivery in Covid-19 pandemic



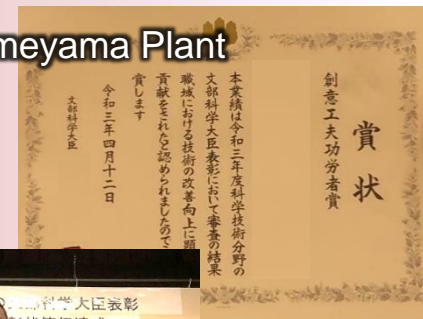
◆ Awarded by Toyota Motor Philippines Corporation

Production Engineering Initiatives

Received Prize for Creativity



F-tech Kameyama Plant



Awarded 4 consecutive years

◆ Minister of Education, Culture, Sports, Science and Technology Award

* Awards received in the first half of 2021 (April –September)

F-tech Social Contribution



*Started in 2019

Concluded a contract with Saitama Prefecture towards forestation
Second agreement period
(2020~2024)



Haga Industrial park
Cleanup Operation



Conducted twice
in the first half of 2021



Kameyama Cleanup Activity
off the property



Kameyama Adopt Program

We actively engage in social contribution activities to strengthen connection to the local communities.

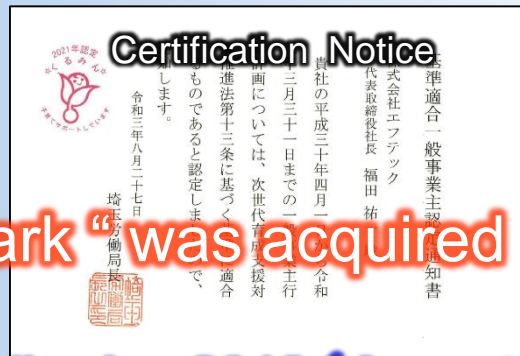
Supporting a balance between work and childcare

“KURUMIN” certified by the Minister of Health, Labor and Welfare (3-year renewal)

Certification as a childcare support company



Two-Star “KURUMIN Mark” was acquired



Second certification and acquisition following 2018 (August, 2021)
Next application will be submitted in 2024



We support balancing work and child care, and create an environment where all employees play an active role.

F.tech inc.

The future outlook and earning forecasts in this documents 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 . Management Planning Division
General Affairs Department/ Finance and Accounting Department

TEL 0480-85-5211

Mail webmaster@ftech.co.jp

Appendix

Appendix ~Consolidated Balance Sheet (FY Mar 2022 Forecast)~



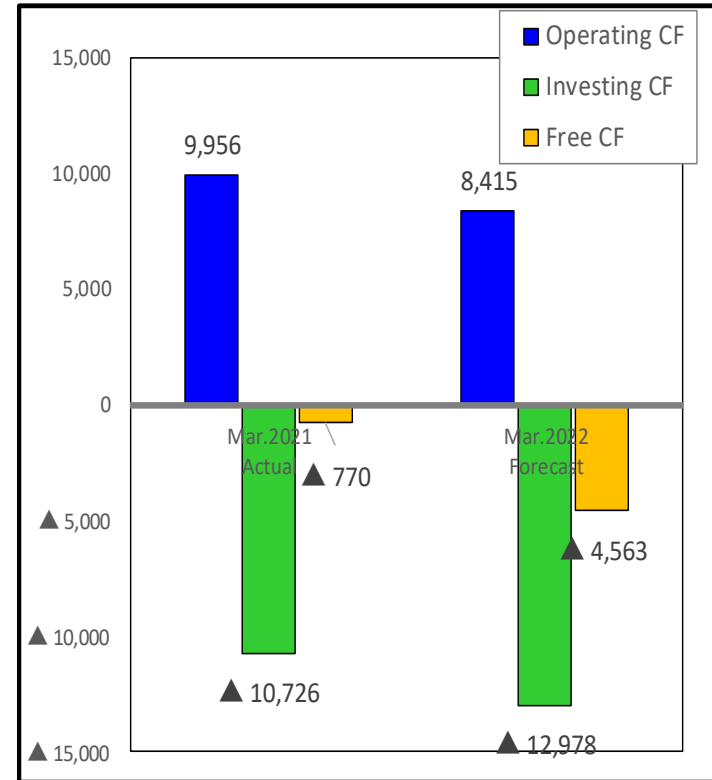
	Mar.2021 Actual	Mar. 2022 Forecast	Changes
Cash and Deposit	3,709	6,019	2,310
Notes and AR	31,578	26,424	▲ 5,154
Inventories	19,642	18,603	▲ 1,039
Others	2,744	3,317	572
Current Assetes	57,673	54,363	▲ 3,310
Property,Plant and quipment	70,013	75,952	5,940
Intangible Assets	320	290	▲ 31
Investment and others	8,709	8,712	3
Non-current Assets	79,041	84,954	5,912
Total Assets	136,715	139,317	2,602

Interests-bearing debt	49,563	57,400	7,837
Interets-bearing debt ratio	36.3%	41.2%	4.9%

	Mar.2021 Actual	Mar.2022 Forecast	Changes
Notes and AP	19,772	15,252	▲ 4,520
Short term loans	20,872	20,619	▲ 254
Current portion of Long- term loan	9,884	10,000	116
Others	8,873	8,988	116
Current Liabilities	59,402	54,859	▲ 4,542
Long-term loan	16,944	24,608	7,665
Others	5,337	5,561	224
Non-current Liabilities	22,281	30,169	7,889
Total Liabilities	81,683	85,029	3,346
Total Shareholders' Equity	40,019	38,959	▲ 1,061
Accumulated Other Comprehensive Income	286	305	19
Non-comtrolling Interests	14,727	15,025	298
Total net Assets	55,032	54,288	▲ 744
Total Liabilities and Net Assets	136,715	139,317	2,602

Mar.2022 FY end financial result briefing materials

	Mar.2021 Actual	Mar.2022 Forecast	Changes
Cash flows from operating activities	9,956	8,415	▲ 1,542
Cash flow from investment activities	▲ 10,726	▲ 12,978	▲ 2,251
Cash flow from financial activities	▲ 4,363	6,805	11,168
Translation adjustments associated with cash and equivalen	▲ 37	69	106
Net changes of Cash and cash equivalent	▲ 5,171	2,310	7,481
Beginning balance of Cash and cash equivalent	8,880	3,709	▲ 5,171
Ending balance of Cash and cash equivalen	3,709	6,019	2,310

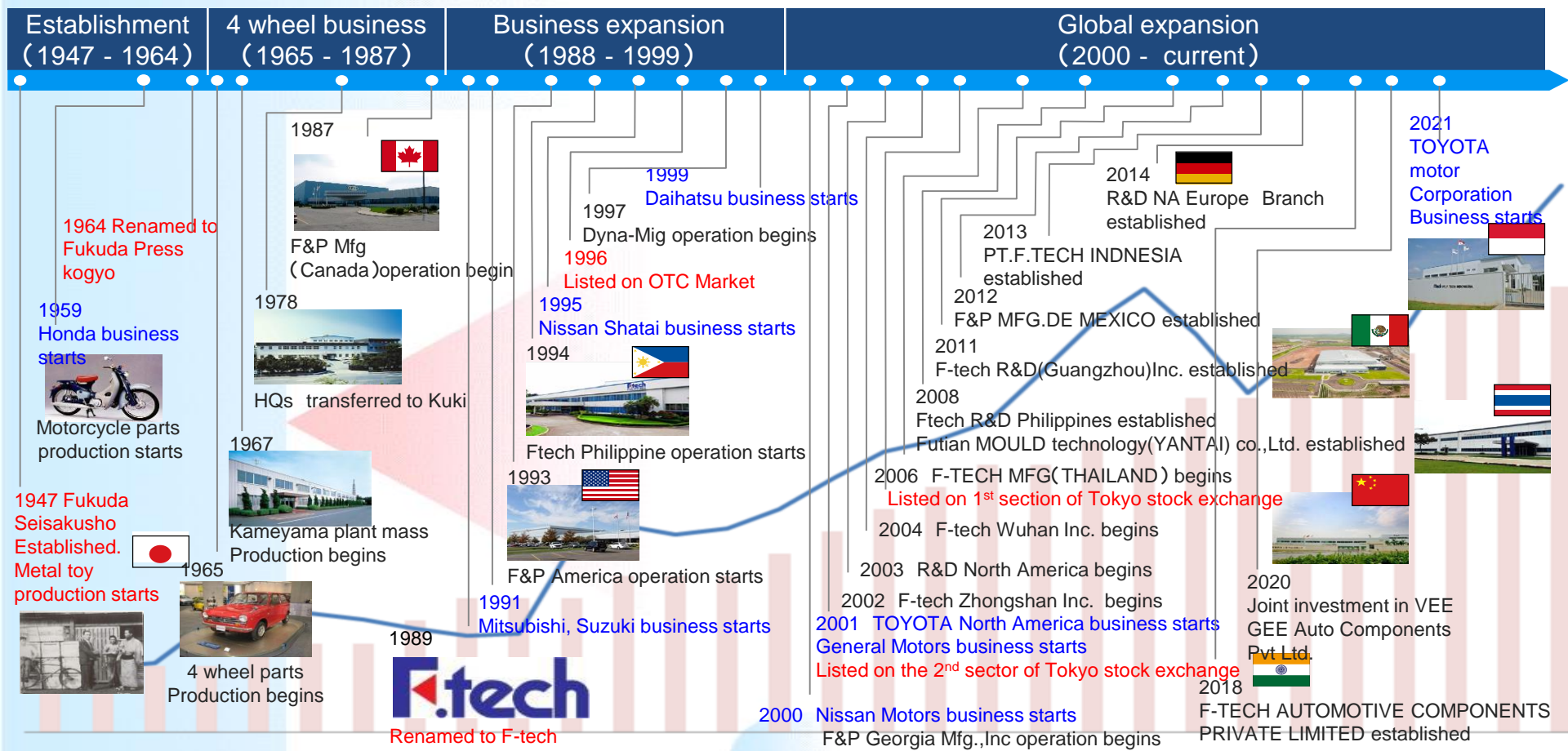


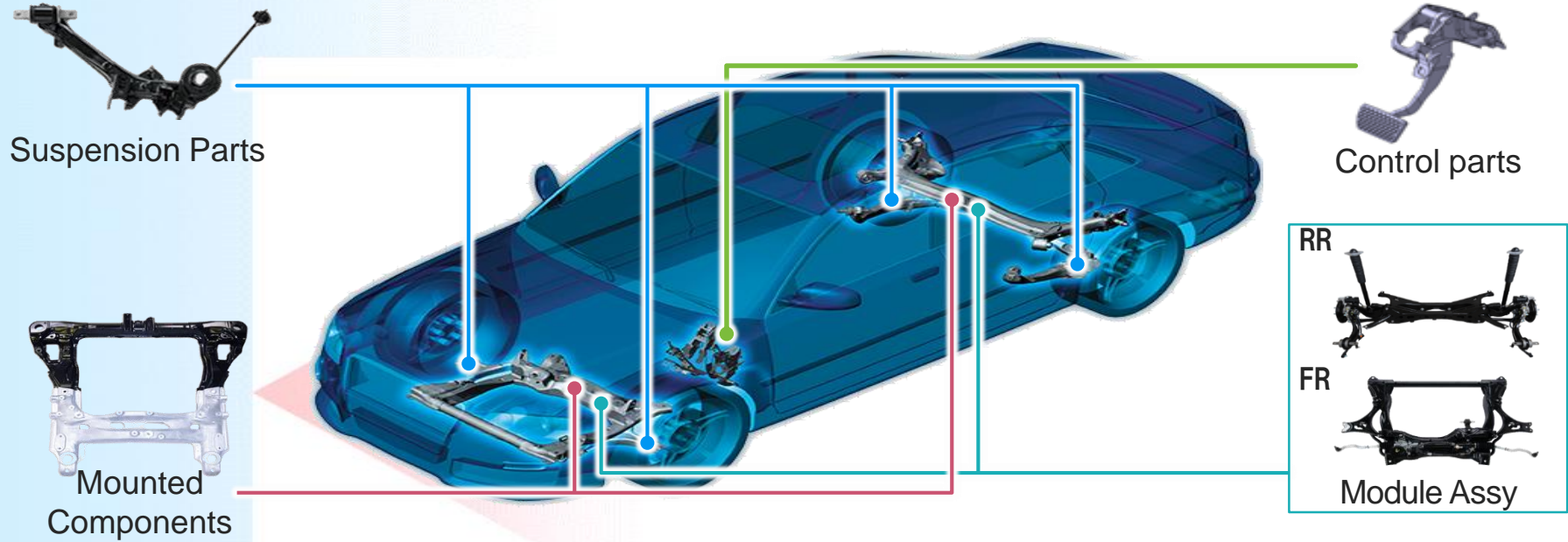
Company Name	F-TECH INC.
Market Segment	The first section of the Tokyo Stock Exchange (7212)
Capital	6.79 Billion JPY
President and CEO	Yuichi Fukuda
Consolidated Sales	183.6 Billion JPY (March 2021)
Number of Employees	Group total 9,400(F-tech only: 962) ※F-tech only does not include subsidiaries and expats at overseas facilities
Established	July 1 st , 1947
Address	19, Showanuma, Shobucho, Kuki, Saitama 346-0194 JAPAN
Main Customers	Honda, General Motors, Nissan, Toyota, etc.
Main Products	Underbody for automobile - suspension arm ,sub-frame , axle beam , pedal control, etc.



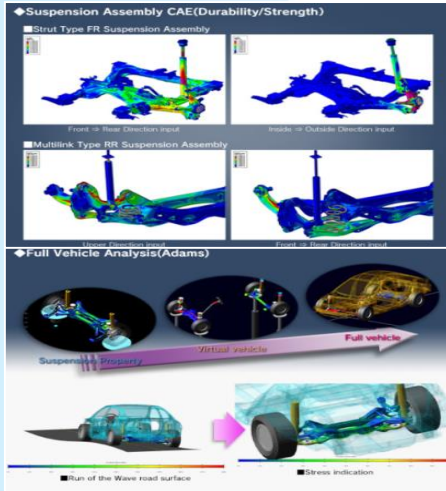
As of March 31,2021

Appendix ~ F-tech's history ~





Our products are critical safety auto parts which perform fundamental functions, “Drive”, “Turn” and “Stop”. We aim at the optimal specifications considering the higher operation stability, riding comfort, and safety at the time of the collision.



All processes, from product planning and development to mass-production, are carried out through F-tech's proprietary integrated processing system, which enables F-tech to supply products that own competitiveness, even in short time frame.

【Facilities】

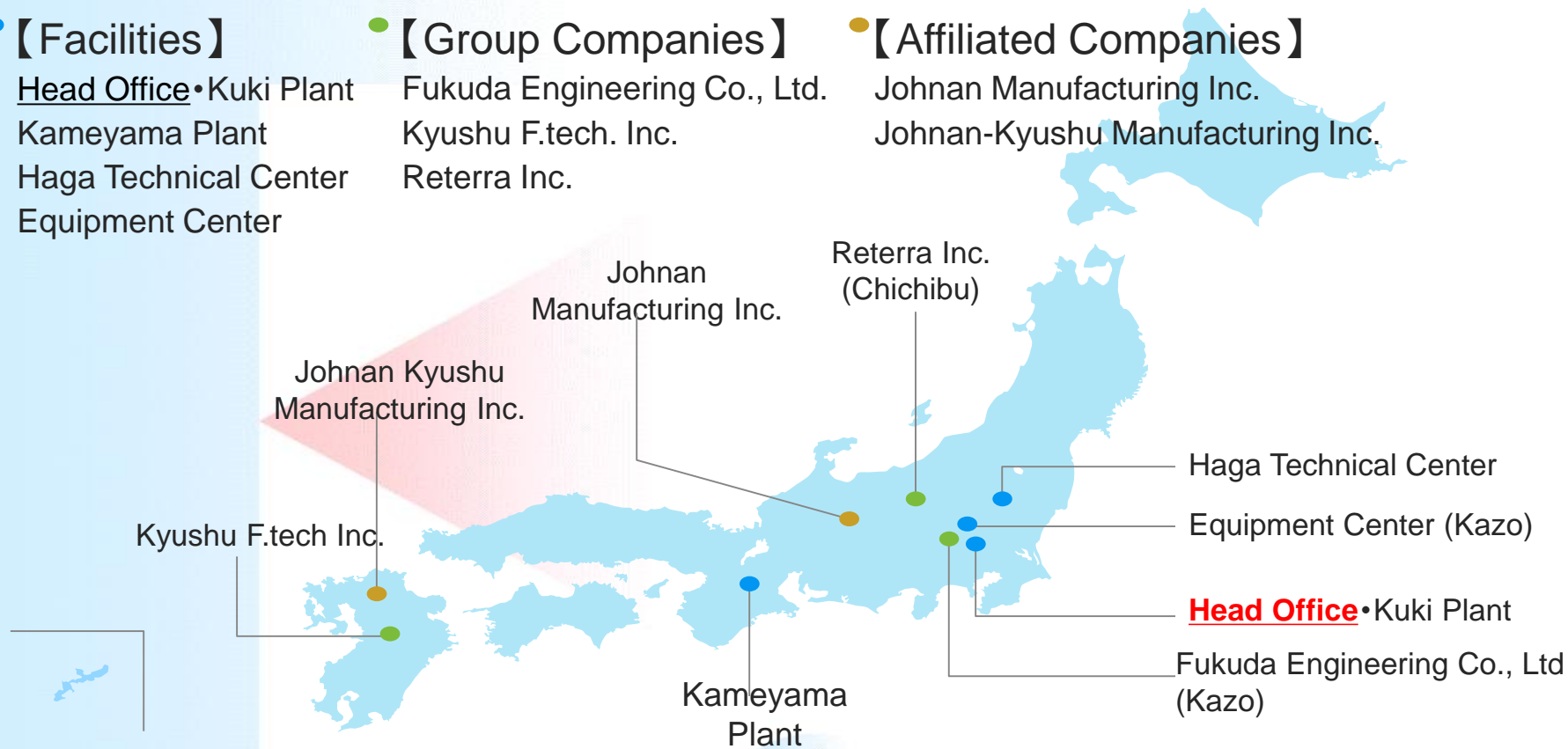
Head Office•Kuki Plant
Kameyama Plant
Haga Technical Center
Equipment Center

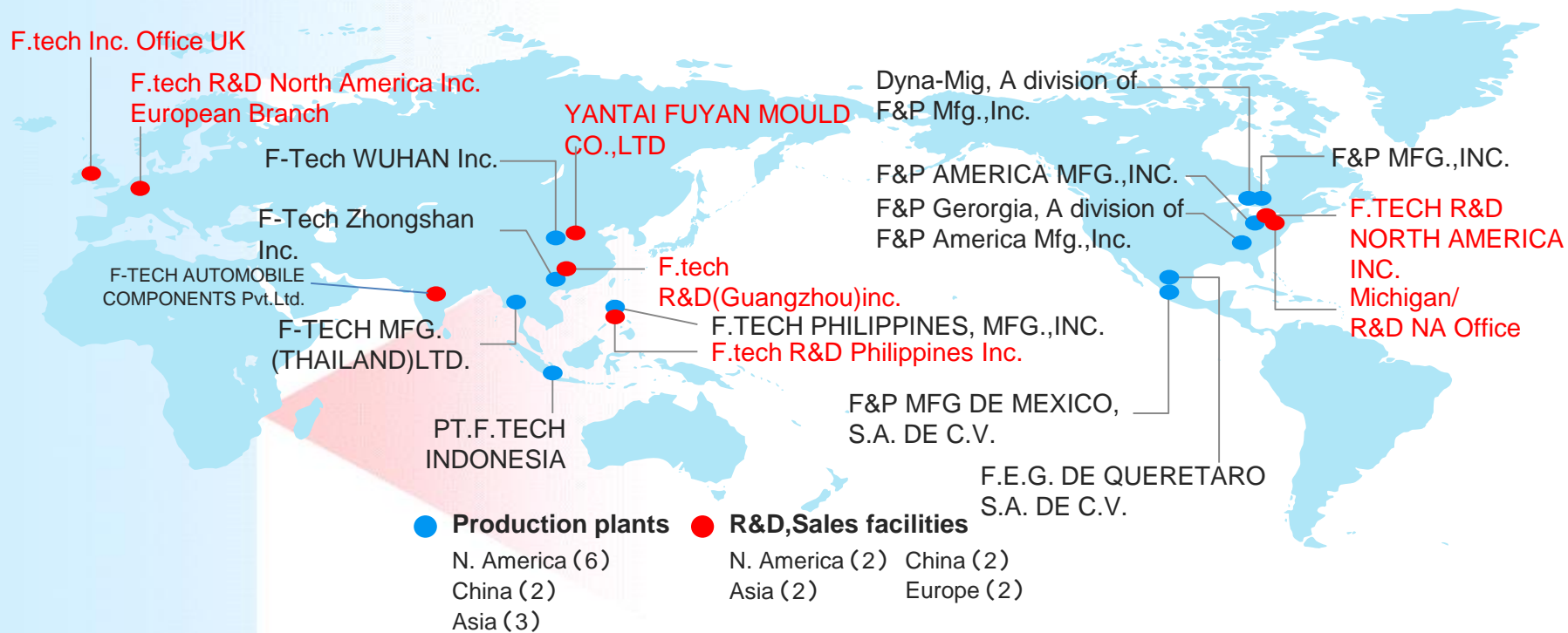
【Group Companies】

Fukuda Engineering Co., Ltd.
Kyushu F.tech. Inc.
Reterra Inc.

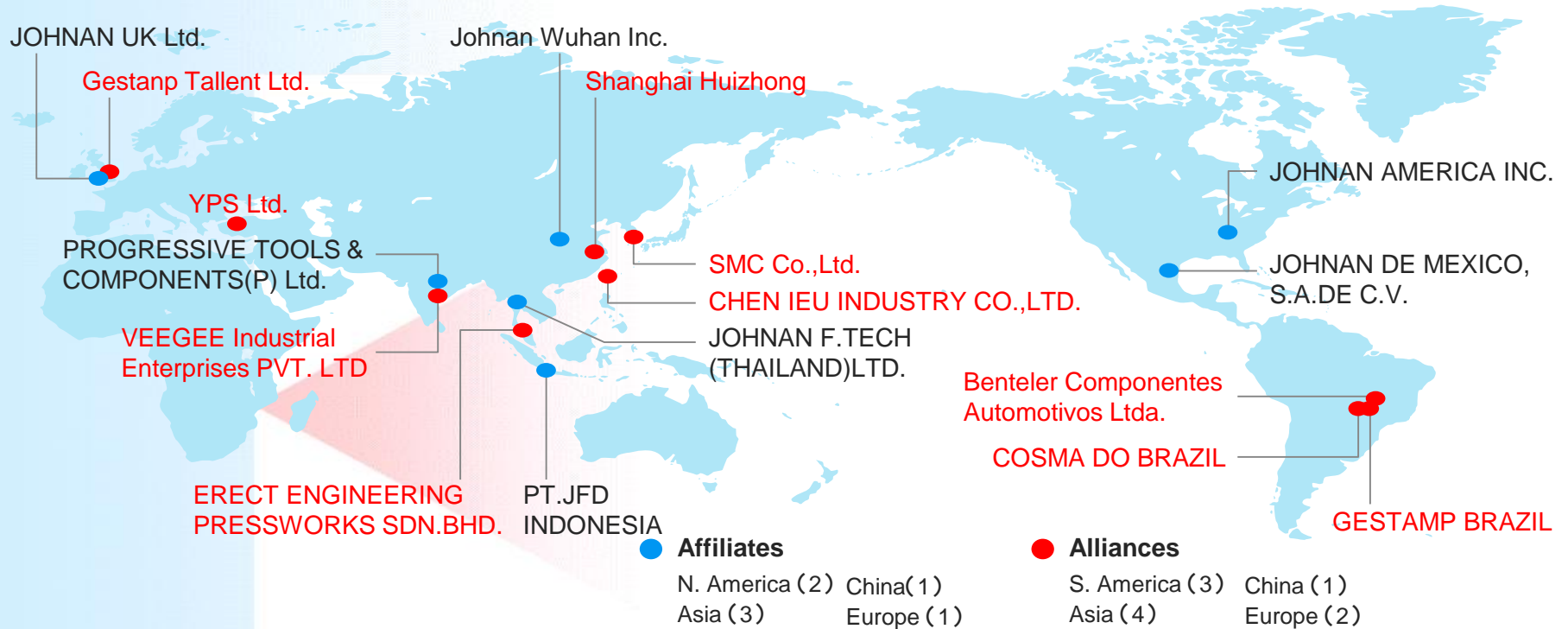
【Affiliated Companies】

Johnan Manufacturing Inc.
Johnan-Kyushu Manufacturing Inc.







F-tech has 11 production plants and 8 R&D, Sales facilities in 10 countries.





We have established optimal business partnerships in 7 countries and 1 region in order to supply our products globally

Technological Alliances & Affiliates in India



Company Name	VEEGEE INDUSTRIAL ENTERPRISES Pvt. Ltd.	
Established	In 1990	
Number of Employees	Approx. 1,400	
Main Products	Stamping, Sub-assembly, Tube/Pipe Welding, etc	
Main Customers	Honda, Suzuki, General Motors, Tata Motors, Autoliv, Schneider, etc	
Business Lineup	Manufacture and Sales of Auto Parts (Body parts, Pedal parts, Chassis parts)	

Company Name	VEE GEE Auto Components Private Limited	
Amount of Investment	342,940,000 INR (Approximately 488 million yen *) *1INR=1.4229 yen converted at the exchange rate as of 9/24/2020	
Investment Ratio	VEE GEE INDUSTRIAL ENTERPRISES PVT.LTD. 74% F-TECH INC. 26%	
Main Customer	Suzuki Motor Gujarat Pvt Ltd (SMG)	