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**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2025  
<under Japanese GAAP>**

**F-TECH INC.**

19, Showanuma, Shobu-cho, Kuki City, Saitama, JAPAN

## **1. Overview of Operating Results and Others**

### **(1) Overview of operating results for the fiscal year under review**

The global economy during the fiscal year ended March 31, 2025 continued to face an extremely uncertain outlook with the impact of the protracted situations in the Middle East and Ukraine, persistently high resource and energy prices, and policy trends under the new U.S. administration. In the automotive industry, the new U.S. administration is moving forward with protectionist tariff policies and the withdrawal of EV proliferation plans, which have prompted automakers to revise their strategies. In China and Southeast Asia, Chinese EV manufacturers have continued to gather momentum, and Japanese, European, and U.S. manufacturers have continued to struggle with sluggish sales. The outlook for the industry is uncertain, and it is extremely difficult to predict the future.

In this business environment, the Group has set “We contribute to society by improving earning power and achieving sustainable growth” as the company policy for the 15th medium-term management plan. In line with the basic policies “Back to Basics” and “Challenge for New,” the Group has taken a proactive approach to two initiatives, which are “thorough cost reduction activities” and “selling price revision negotiations.” For sites with issues, particularly in the U.S., the Group continued to improve production efficiency, and also negotiated to pass on the increased costs to product prices. In China, the Group completed structural reforms of the business by optimizing the number of employees and impairing non-current assets to address the production cuts of customers.

Under these efforts, during the fiscal year under review, although there were positive factors such as the effect of mass production of newly ordered products and agreement on selling price revisions with major customers in North America, expenses related to the recruitment of voluntary retirees (1,127 million yen) and an impairment loss on non-current assets (7,781 million yen) were recorded in China. As a result, net sales increased by 0.7% year on year to 300,831 million yen, operating profit increased by 47.8% year on year to 5,481 million yen, and ordinary profit increased by 1.5% year on year to 3,047 million yen, while loss attributable to owners of parent was 6,925 million yen (profit attributable to owners of parent of 1,683 million yen for the previous fiscal year,).

Operating results by segment are as follows.

(Japan)

Net sales decreased by 1.7% year on year to 30,100 million yen due partly to a recovery trend in production volume at major customers. However, in terms of profit and loss, operating loss was 1,093 million yen (an operating profit of 1,352 million yen for the previous year) mainly due to consulting expenses recorded for the turnaround in the North American region and a decrease in technical services.

(North America)

Net sales increased by 9.6% year on year to 226,241 million yen due to a steady trend of production volume at major customers, partly driven by the mass production effects of new model launches, and the impact of a weaker yen. In terms of profit and loss, profit increased significantly year on year due to the effect of increased net sales as well as the effect of selling price revisions. Operating profit increased by 958.3% year on year to 8,024 million yen.

(Asia)

The production volume of major customers continued to decline significantly in the Chinese region. As a result, net sales decreased by 27.8% year on year to 44,489 million yen. In terms of profit and loss, operating loss was 1,609 million yen (an operating profit of 1,511 million yen for the previous year).

### **(2) Overview of financial position for the fiscal year under review**

As of March 31, 2025, total assets decreased by 14,216 million yen from the end of the previous fiscal year to 177,555 million yen, reflecting decreases in accounts receivable - trade, machinery, equipment and vehicles, net, and the impact of impairment in China, offsetting increases in cash and deposits, and merchandise and finished goods.

In spite of increases in bonds payable and long-term loans payable, liabilities decreased by 6,720 million yen from the end of the previous fiscal year to 113,309 million yen, reflecting decreases in notes and accounts payable - trade, short-term loans payable, and current portion of long-term loans payable.

Net assets decreased by 7,496 million yen from the end of the previous fiscal year to 64,246 million yen, reflecting decreases in retained earnings and non-controlling interests.

### (3) Overview of cash flows for the fiscal year under review

As of March 31, 2025, cash and cash equivalents increased by 2,052 million yen from the end of the previous fiscal year to 14,256 million yen (up 16.8% year on year).

Cash flows in the fiscal year under review and factors in increase or decrease from the previous fiscal year are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 14,757 million yen. The main factors were 5,805 million yen in loss before income taxes, 14,920 million yen in depreciation, 7,707 million yen in impairment loss, and a decrease in inventories of 2,714 million yen.

Compared with the previous fiscal year, cash flows from operating activities changed from 19,466 million yen provided to 14,757 million yen provided. This was mainly due to a decrease in notes and accounts receivable - trade, an increase in inventories, and decreases in contract liabilities and notes and accounts payable - trade.

#### (Cash flows from investing activities)

Net cash used in investing activities was 7,871 million yen. The main factor was 8,043 million yen in purchase of property, plant and equipment.

Compared with the previous fiscal year, cash flows from investing activities changed from 8,902 million yen used to 7,871 million yen used. This was mainly due to a decrease in the purchase of property, plant and equipment and an increase in proceeds from sales of property, plant and equipment.

#### (Cash flows from financing activities)

Net cash used in financing activities amounted to 5,728 million yen. The main factors were 5,949 million yen in net decrease in short-term loans payable, 12,800 million yen in proceeds from long-term loans payable, and 13,170 million yen in repayments of long-term loans payable.

Compared with the previous fiscal year, cash flows from financing activities changed from 4,263 million yen used to 5,728 million yen used. This was mainly due to a decrease in short-term loans payable and an increase in proceeds from long-term loans payable.

#### (Reference) Transition of cash flow indicators

	67th term Fiscal year ended March 31, 2022	68th term Fiscal year ended March 31, 2023	69th term Fiscal year ended March 31, 2024	70th term Fiscal year ended March 31, 2025
Equity ratio (%)	28.0	28.4	29.1	29.0
Market value-based equity ratio (%)	6.3	7.0	7.4	5.7
Ratio of interest-bearing debt to cash flows (year)	36.2	4.2	3.9	4.9
Interest coverage ratio (times)	2.2	10.1	6.9	5.3

(Notes) Equity ratio: equity / total assets

Market value-based equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio (year): interest-bearing debt / cash flow

Interest coverage ratio: cash flow / paid interest

\* All indicators are calculated using consolidated-based financial figures.

\* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares as of the end of the period (excluding treasury shares).

\* The figure used for cash flow is “net cash provided by (used in) operating activities” on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest. Furthermore, regarding the paid interest, we use the interest expenses paid recorded on the consolidated statements of cash flows.

#### **(4) Forward-looking statements**

For the earnings forecasts for the next fiscal year, given the uncertain outlook including the impact of the new U.S. administration's trade policies, although we expect revenue to remain mostly unchanged from the previous fiscal year, we forecast net sales of 296,000 million yen, operating profit of 8,000 million yen, ordinary profit of 6,200 million yen, and profit attributable to owners of parent of 3,300 million yen, reflecting effects such as selling price revision negotiations with major customers agreed upon in the previous fiscal year and structural reforms in the China operations. Our assumptions for the exchange rate are 145 yen to the U.S. dollar, and 20 yen to the Chinese yuan.

#### **2. Basic Rationale for Selecting the Accounting Standards**

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against the previous fiscal year and against other companies.

With regard to the adoption of International Financial Reporting Standards (IFRS), it is the Group's policy to respond to this issue appropriately based on consideration of various domestic and international circumstances.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	12,204	14,356
Notes receivable - trade	279	56
Accounts receivable - trade	41,317	34,976
Electronically recorded monetary claims - operating	325	226
Merchandise and finished goods	4,423	6,752
Work in process	7,623	6,751
Raw materials and supplies	13,438	14,948
Other	3,502	3,440
Allowance for doubtful accounts	(44)	(13)
Total current assets	83,069	81,495
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,735	20,011
Machinery, equipment and vehicles, net	50,507	44,231
Dies and tools, net	2,646	1,077
Land	6,239	6,107
Leased assets, net	371	275
Construction in progress	7,171	5,119
Other, net	5,361	4,605
Total property, plant and equipment	94,033	81,428
Intangible assets		
Software	290	538
Other	28	45
Total intangible assets	319	583
Investments and other assets		
Investment securities	9,485	9,242
Retirement benefit asset	269	884
Deferred tax assets	3,427	2,824
Other	1,167	1,095
Total investments and other assets	14,350	14,047
Total non-current assets	108,702	96,059
Total assets	191,772	177,555

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	27,902	26,229
Short-term loans payable	38,537	32,481
Current portion of long-term loans payable	12,782	11,634
Lease obligations	1,029	868
Income taxes payable	769	807
Accounts payable - other	2,214	2,356
Notes payable - facilities	177	147
Provision for directors' bonuses	49	28
Other	8,590	7,493
Total current liabilities	92,053	82,047
Non-current liabilities		
Bonds payable	—	2,000
Long-term loans payable	22,043	24,139
Lease obligations	1,671	1,468
Deferred tax liabilities	2,994	2,569
Provision for directors' retirement benefits	56	61
Net defined benefit liability	956	793
Negative goodwill	28	22
Other	226	206
Total non-current liabilities	27,975	31,262
Total liabilities	120,029	113,309
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,790	6,790
Capital surplus	6,404	6,427
Retained earnings	29,288	21,989
Treasury shares	(79)	(79)
Total shareholders' equity	42,404	35,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,154	698
Deferred gains or losses on hedges	237	222
Foreign currency translation adjustment	11,937	14,667
Remeasurements of defined benefit plans	92	796
Total accumulated other comprehensive income	13,421	16,385
Non-controlling interests	15,916	12,733
Total net assets	71,742	64,246
Total liabilities and net assets	191,772	177,555

## (2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	298,759	300,831
Cost of sales	276,435	275,501
Gross profit	22,323	25,329
Selling, general and administrative expenses	18,615	19,848
Operating profit	3,708	5,481
Non-operating income		
Interest income	149	185
Dividend income	69	103
Share of profit of entities accounted for using equity method	600	146
Foreign exchange gains	1,232	—
Other	276	360
Total non-operating income	2,328	796
Non-operating expenses		
Interest expenses	2,825	2,786
Foreign exchange losses	—	390
Other	209	53
Total non-operating expenses	3,034	3,230
Ordinary profit	3,001	3,047
Extraordinary income		
Gain on sales of non-current assets	14	64
Gain on change in equity	157	—
Other	—	1
Total extraordinary income	172	65
Extraordinary losses		
Loss on sales of non-current assets	3	—
Loss on retirement of non-current assets	69	83
Impairment loss	—	7,707
Extra retirement payments	—	1,127
Total extraordinary losses	73	8,918
Profit (loss) before income taxes	3,100	(5,805)
Income taxes - current	3,139	2,945
Income taxes - deferred	(1,662)	798
Total income taxes	1,477	3,744
Profit (loss)	1,623	(9,549)
Profit (loss) attributable to		
Profit (loss) attributable to owners of parent	1,683	(6,925)
Loss attributable to non-controlling interests	(59)	(2,624)
Other comprehensive income		
Valuation difference on available-for-sale securities	676	(428)
Deferred gains or losses on hedges	(153)	(15)
Foreign currency translation adjustment	5,198	2,486
Remeasurements of defined benefit plans, net of tax	143	705
Share of other comprehensive income of entities accounted for using equity method	211	230
Total other comprehensive income	6,076	2,979
Comprehensive income	7,700	(6,570)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,509	(3,962)
Comprehensive income attributable to non-controlling interests	1,190	(2,608)

### (3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,790	6,733	27,979	(60)	41,443
Changes of items during period					
Dividends of surplus			(374)		(374)
Profit (loss) attributable to owners of parent			1,683		1,683
Purchase of treasury shares				(18)	(18)
Change in ownership interest of parent due to transactions with non-controlling interests		(329)			(329)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(329)	1,309	(18)	960
Balance at end of period	6,790	6,404	29,288	(79)	42,404

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	543	386	7,731	(65)	8,595	14,717	64,756
Changes of items during period							
Dividends of surplus							(374)
Profit (loss) attributable to owners of parent							1,683
Purchase of treasury shares							(18)
Change in ownership interest of parent due to transactions with non-controlling interests							(329)
Net changes of items other than shareholders' equity	611	(149)	4,205	158	4,826	1,198	6,025
Total changes of items during period	611	(149)	4,205	158	4,826	1,198	6,985
Balance at end of period	1,154	237	11,937	92	13,421	15,916	71,742



**Fiscal year ended March 31, 2025**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,790	6,404	29,288	(79)	42,404
Changes of items during period					
Dividends of surplus			(374)		(374)
Profit (loss) attributable to owners of parent			(6,925)		(6,925)
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		22			22
Net changes of items other than shareholders' equity					
Total changes of items during period	—	22	(7,299)	(0)	(7,276)
Balance at end of period	6,790	6,427	21,989	(79)	35,127

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,154	237	11,937	92	13,421	15,916	71,742
Changes of items during period							
Dividends of surplus							(374)
Profit (loss) attributable to owners of parent							(6,925)
Purchase of treasury shares							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							22
Net changes of items other than shareholders' equity	(455)	(15)	2,730	703	2,963	(3,182)	(219)
Total changes of items during period	(455)	(15)	2,730	703	2,963	(3,182)	(7,496)
Balance at end of period	698	222	14,667	796	16,385	12,733	64,246

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	3,100	(5,805)
Depreciation	14,559	14,920
Impairment loss	—	7,707
Loss (gain) on change in equity	(157)	—
Amortization of goodwill	(5)	(5)
Increase (decrease) in assets and liabilities related to retirement benefits	81	47
Increase (decrease) in provision for directors' retirement benefits	3	5
Increase (decrease) in provision for directors' bonuses	(36)	(20)
Interest and dividend income	(219)	(288)
Interest expenses	2,825	2,786
Foreign exchange losses (gains)	(854)	136
Share of loss (profit) of entities accounted for using equity method	(600)	(146)
Loss (gain) on sales of property, plant and equipment	(11)	(64)
Loss on retirement of property, plant and equipment	69	83
Decrease (increase) in notes and accounts receivable - trade	(827)	7,323
Decrease (increase) in inventories	2,440	(2,714)
Increase (decrease) in notes and accounts payable - trade	1,926	(2,015)
Increase (decrease) in contract liabilities	701	(1,279)
Decrease (increase) in accounts receivable - other	211	1,208
Other, net	1,759	(890)
Subtotal	24,966	20,986
Interest and dividend income received	256	346
Interest expenses paid	(2,816)	(2,802)
Income taxes paid	(2,940)	(3,772)
Net cash provided by (used in) operating activities	19,466	14,757
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,809)	(8,043)
Proceeds from sales of property, plant and equipment	70	354
Purchase of intangible assets	(57)	(54)
Purchase of investment securities	(164)	(80)
Payments into time deposits	—	(100)
Other, net	57	52
Net cash provided by (used in) investing activities	(8,902)	(7,871)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,616	(5,949)
Proceeds from long-term loans payable	3,400	12,800
Repayments of long-term loans payable	(13,562)	(13,170)
Proceeds from issuance of bonds	—	2,000
Purchase of treasury shares	(18)	(0)
Cash dividends paid	(373)	(374)
Dividends paid to non-controlling interests	(306)	(236)
Repayments of lease obligations	(1,017)	(539)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(315)
Other, net	—	58
Net cash provided by (used in) financing activities	(4,263)	(5,728)
Effect of exchange rate change on cash and cash equivalents	413	894
Net increase (decrease) in cash and cash equivalents	6,712	2,052
Cash and cash equivalents at beginning of period	5,491	12,204
Cash and cash equivalents at end of period	*1 12,204	*1 14,256

**(5) Notes to consolidated financial statements**

***Uncertainties of entity's ability to continue as going concern***

Not applicable.

***Notes to consolidated statements of cash flows***

\*1 Reconciliation of ending balance of cash and cash equivalents with account balances per consolidated balance sheets is as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	12,204	14,356
Time deposits with a deposit period exceeding three months	—	(100)
Cash and cash equivalents	12,204	14,256

**Segment information, etc.****Segment information**

## 1. Description of reportable segments

The reportable segments of the Company are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and assess their performance.

The Company is engaged in the manufacture and sale of auto parts, etc. As of the end of the current fiscal year, four companies including the Company in Japan as well as six local corporations in North America and nine local corporations in Asia each conduct the business operations. These local corporations, which are independent management units, formulate comprehensive strategies and develop business activities in each area.

For this reason, the Company consists of regional segments based on the manufacturing and sales systems and has three reportable segments, namely Japan, North America and Asia.

## 2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting procedures for reportable segments are consistent with those stated in “Basis of presentation and significant accounting policies for preparation of consolidated financial statements.”

Profit of reportable segments is based on operating profit (before amortization of goodwill).

Intersegment sales and transfers are based on prevailing market prices.

## 3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	30,612	206,501	61,645	298,759
Intersegment sales and transfers	11,231	1,611	2,915	15,759
Total	41,844	208,113	64,560	314,518
Segment profit	1,352	758	1,511	3,622
Segment assets	74,877	114,086	49,148	238,112

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	30,100	226,241	44,489	300,831
Intersegment sales and transfers	10,788	1,768	3,611	16,167
Total	40,888	228,009	48,100	316,999
Segment profit (loss)	(1,093)	8,024	(1,609)	5,321
Segment assets	82,925	111,439	37,611	231,975

4. Differences between total amounts for reportable segments and amounts in the consolidated financial statements and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable segments total	314,518	316,999
Elimination of intersegment transactions	(15,759)	(16,167)
Net sales in the consolidated financial statements	298,759	300,831

(Millions of yen)

Profit	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable segments total	3,622	5,321
Elimination of intersegment transactions	85	160
Operating profit in the consolidated financial statements	3,708	5,481

(Millions of yen)

Assets	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Reportable segments total	238,112	231,975
Elimination of intersegment transactions	(46,335)	(54,415)
Other adjustments	(5)	(4)
Total assets in the consolidated financial statements	191,772	177,555

**Disclosure of impairment loss on non-current assets for each reportable segment**

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments			Unallocated amounts and elimination	Total
	Japan	North America	Asia		
Impairment loss	33	—	7,781	(107)	7,707

**Per share information**

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	3,006.59	2,774.28
Basic earnings (loss) per share	90.62	(372.97)

(Notes) 1. Diluted basic earnings per share is not presented since no potential shares exist.

2. Since the second quarter of the fiscal year ended March 31, 2021, the Company has acquired the Company's shares through the "Officers' Stock Benefit Trust." The Company's shares held by the Officers' Stock Benefit Trust are included in the number of treasury shares deducted in the calculation of the average number of shares during the period, to calculate basic earnings (loss) per share.

3. Basis for calculating basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	1,683	(6,925)
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	1,683	(6,925)
Average number of shares (Thousands of shares)	18,575	18,567
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common shares (Thousands of shares)	—	—
[Of the above, convertible bond-type bonds with subscription rights to shares (Thousands of shares)]	[-]	[-]
Outline of potential shares that were not used in calculating diluted earnings per share because they have no dilutive effects	—	

**Significant events after reporting period**

Not applicable.

#### **4. Other information**

##### **(1) Changes in officers**

We hereby confirm that the contents of the “Notice of Changes in Executive Officers, Their Assignments, and Heads of Domestic and Overseas Sites” announced on January 30, 2025 are true and correct.