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**Consolidated Financial Results
for the Three Months Ended June 30, 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 three-month period under review

The global economy during the three months ended June 30, 2025 continued to face an uncertain outlook with the impact of the protracted situations in the Middle East and Ukraine, persistently high resource and energy prices, and the effects of the unpredictable U.S. trade policies. In the automotive industry, the U.S. tariff policies for the automotive industry and the rise of Chinese EV manufacturers have significantly impacted automakers, including those in Japan, leading to a series of strategic reviews. The current outlook for the industry is uncertain, and it is extremely difficult to predict the future.

In this business environment, the Group set the corporate policy “We contribute to society by improving earning power and achieving sustainable growth” for the final year of the 15th medium-term management plan and undertook company-wide activities based on four pillars: Enhance Earning Power, Build a Sound Financial Structure, Pursue Strategic Growth Business Opportunities, and Build Sustainability Management. The first two pillars fall under “Back to Basics,” while the latter two fall under “Challenge for New.” As a result, we received numerous inquiries for new models and secured new orders for one model each from two companies, and in the areas of production and quality, we received the Excellent Appreciation Award (Quality Category) from a major client.

As a result of these activities, during the three months ended June 30, 2025, net sales decreased by 6.9% year on year to 69,590 million yen, operating profit was 1,827 million yen (operating profit of 141 million yen in the same period of the previous year), ordinary profit increased by 465.3% year on year to 1,019 million yen, and loss attributable to owners of parent was 32 million yen (loss attributable to owners of parent of 779 million yen in the same period of the previous year).

Operating results by segment are as follows.

(Japan)

Net sales decreased by 1.6% year on year to 6,801 million yen, and operating loss was 215 million yen (operating profit of 61 million yen in the same period of the previous year), due partly to a decrease in overseas product sales and technical services.

(North America)

Net sales decreased by 4.5% year on year to 53,418 million yen due to the impact of a strong yen in foreign exchange, despite a steady trend of production volume at major customers. In terms of profit and loss, profit increased year on year due in part to the effect of price revisions in the previous year.

Operating profit was 1,780 million yen (operating loss of 14 million yen in the same period of the previous year).

(Asia)

Net sales decreased by 21.3% year on year to 9,369 million yen due to a continued decline in production volume for major customers in the China region. On the other hand, operating profit of 228 million yen was recorded (operating loss of 61 million yen in the same period of the previous year) due in part to the effect of the structural reforms in the previous year.

(2) Overview of financial position for the three-month period under review

As of June 30, 2025, total assets decreased by 9,844 million yen from the end of the previous fiscal year to 167,710 million yen, mainly due to decreases in notes and accounts receivable – trade, as well as in machinery, equipment, and vehicles.

Liabilities decreased by 7,247 million yen from the end of the previous fiscal year to 106,061 million yen, mainly due to decreases in notes and accounts payable – trade, as well as long-term loans payable.

Net assets decreased by 2,596 million yen from the end of the previous fiscal year to 61,649 million yen, mainly due to a decrease in foreign currency translation adjustment.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

No revisions have been made to the earnings forecasts for the fiscal year ending March 31, 2026, which were announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 on May 13, 2025.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	14,356	13,870
Notes and accounts receivable - trade	35,259	30,054
Merchandise and finished goods	6,752	6,914
Work in process	6,751	6,893
Raw materials and supplies	14,948	14,021
Other	3,440	3,167
Allowance for doubtful accounts	(13)	(15)
Total current assets	81,495	74,906
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,011	19,285
Machinery, equipment and vehicles, net	44,231	41,128
Construction in progress	5,119	5,963
Other, net	12,066	12,071
Total property, plant and equipment	81,428	78,447
Intangible assets	583	597
Investments and other assets		
Investment securities	9,242	9,164
Other	4,804	4,594
Total investments and other assets	14,047	13,758
Total non-current assets	96,059	92,804
Total assets	177,555	167,710

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,229	23,139
Short-term loans payable	32,481	32,026
Current portion of long-term loans payable	11,634	11,058
Income taxes payable	807	217
Provision for directors' bonuses	28	25
Other	10,865	9,704
Total current liabilities	82,047	76,171
Non-current liabilities		
Bonds payable	2,000	2,000
Long-term loans payable	24,139	22,829
Provision for directors' retirement benefits	61	53
Net defined benefit liability	793	801
Negative goodwill	22	21
Other	4,244	4,184
Total non-current liabilities	31,262	29,889
Total liabilities	113,309	106,061
Net assets		
Shareholders' equity		
Capital stock	6,790	6,790
Capital surplus	6,427	6,427
Retained earnings	21,989	21,770
Treasury shares	(79)	(79)
Total shareholders' equity	35,127	34,908
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	698	738
Deferred gains or losses on hedges	222	168
Foreign currency translation adjustment	14,667	12,565
Remeasurements of defined benefit plans	796	729
Total accumulated other comprehensive income	16,385	14,202
Non-controlling interests	12,733	12,538
Total net assets	64,246	61,649
Total liabilities and net assets	177,555	167,710

(2) Quarterly consolidated statements of income and comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	74,736	69,590
Cost of sales	70,104	63,226
Gross profit	4,632	6,364
Selling, general and administrative expenses	4,490	4,536
Operating profit	141	1,827
Non-operating income		
Interest income	39	57
Dividend income	58	57
Share of profit of entities accounted for using equity method	132	—
Foreign exchange gains	428	—
Other	116	54
Total non-operating income	773	169
Non-operating expenses		
Interest expenses	728	492
Share of loss of entities accounted for using equity method	—	23
Foreign exchange losses	—	456
Other	6	5
Total non-operating expenses	734	976
Ordinary profit	180	1,019
Extraordinary income		
Gain on sales of non-current assets	1	15
Other	—	0
Total extraordinary income	1	15
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	0	5
Total extraordinary losses	0	5
Profit before income taxes	181	1,029
Income taxes - current	1,108	958
Income taxes - deferred	(200)	(97)
Total income taxes	907	860
Profit (loss)	(726)	168
Profit (loss) attributable to		
Loss attributable to owners of parent	(779)	(32)
Profit attributable to non-controlling interests	52	200
Other comprehensive income		
Valuation difference on available-for-sale securities	(134)	46
Deferred gains or losses on hedges	20	(55)
Foreign currency translation adjustment	3,849	(2,162)
Remeasurements of defined benefit plans, net of tax	6	(61)
Share of other comprehensive income of entities accounted for using equity method	259	(126)
Total other comprehensive income	4,002	(2,359)
Comprehensive income	3,276	(2,190)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,490	(2,214)
Comprehensive income attributable to non-controlling interests	785	23

(3) Notes to quarterly consolidated financial statements

Application of special accounting for preparing quarterly consolidated financial statements

(Calculation of tax expenses)

Tax expenses in the quarterly consolidated financial statements for a portion of consolidated subsidiaries are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the first quarter ended June 30, 2025, and next by multiplying the quarterly profit (loss) before income taxes by such estimated effective tax rate.

Segment information, etc.

Segment information

I. Three months ended June 30, 2024

1. Disclosure of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	6,915	55,910	11,911	74,736
Intersegment sales and transfers	2,768	318	639	3,726
Total	9,683	56,228	12,550	78,462
Segment profit (loss)	61	(14)	(61)	(14)

2. Differences between total amounts of profit (loss) for reportable segments and amounts in the consolidated statements of income and comprehensive income and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	(14)
Elimination of intersegment transactions	155
Operating profit in the consolidated statements of income and comprehensive income	141

3. Disclosure of impairment loss on non-current assets and goodwill, etc. for each reportable segment

Not applicable.

II. Three months ended June 30, 2025

1. Disclosure of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	6,801	53,418	9,369	69,590
Intersegment sales and transfers	3,391	438	713	4,543
Total	10,193	53,856	10,083	74,133
Segment profit (loss)	(215)	1,780	228	1,792

2. Differences between total amounts of profit (loss) for reportable segments and amounts in the consolidated statements of income and comprehensive income and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	1,792
Elimination of intersegment transactions	34
Operating profit in the consolidated statements of income and comprehensive income	1,827

3. Disclosure of impairment loss on non-current assets and goodwill, etc. for each reportable segment

Not applicable.

Substantial changes in the amount of shareholders' equity

Not applicable.

Uncertainties of entity's ability to continue as going concern

Not applicable.

Statements of cash flows

The consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of negative goodwill for the three months ended June 30, 2025 were as follows:

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	3,817	3,119
Amortization of negative goodwill	(1)	(1)