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**Consolidated Financial Results
for the Six Months Ended September 30, 2025
<under Japanese GAAP>**

F-TECH INC.

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1. Overview of Operating Results and Others

(1) Overview of operating results for the six-month period under review

The global economy during the six months ended September 30, 2025, while maintaining a gradual recovery trend, continued to face an uncertain outlook due to factors such as ongoing geopolitical risks and persistently high resource and energy prices. In the automotive industry, the increase in import tariffs and the review of EV policy in the U.S., and the rise of Chinese EV manufacturers are having a major impact on Japanese, European, and American automakers, causing uncertainty in production plans for EVs, hybrid vehicles (HEVs), and internal combustion engine (ICE) vehicles, and the current outlook for the industry is uncertain.

In this business environment, the Group upheld the corporate policy “We contribute to society by improving earning power and achieving sustainable growth” and, under this policy, in line with the action guidelines “Back to Basics” and “Challenge for New,” 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. In addition to promoting new orders and new technology initiatives, as well as investment optimization, improvement activities, and cost reductions, the Group launched the “F-TECH India Strategic Project” to expand its business in the growing Indian market. As a result of these activities, during the 6 months ended September 30, 2025, net sales decreased by 2.5% year on year to 142,094 million yen, operating profit was 2,848 million yen (operating loss of 1,430 million yen in the same period of the previous year), ordinary profit was 1,824 million yen (ordinary loss of 2,965 million yen in the same period of the previous year), and profit attributable to owners of parent was 299 million yen (loss attributable to owners of parent of 4,860 million yen in the same period of the previous year).

Operating results by segment are as follows.

(Japan)

Net sales decreased by 2.8% year on year to 13,960 million yen due to a decline in product sales, despite higher overseas sales. In terms of profit and loss, operating loss was 85 million yen (operating loss of 360 million yen in the same period of the previous year), reflecting a profit increase partly attributable to a decrease in consulting expenses recorded in the previous year.

(North America)

Net sales increased by 0.5% year on year to 109,579 million yen, reflecting steady production volume at major customers despite the impact of a strong yen. In terms of profit and loss, profit increased year on year to 2,760 million yen due mainly to the effect of price revisions implemented in the previous year (operating loss of 339 million yen in the same period of the previous year).

(Asia)

Net sales decreased by 17.2% year on year to 18,554 million yen due to a continued significant decline in production volume for major customers in the China region. In terms of profit and loss, operating profit of 200 million yen was recorded (operating loss of 780 million yen in the same period of the previous year), reflecting the effects of structural reforms implemented in the China region in the previous year and strong performance in Southeast Asian countries.

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

As of September 30, 2025, total assets decreased by 6,874 million yen from the end of the previous fiscal year to 170,681 million yen, due to decreases in cash and deposits, notes and accounts receivable – trade, and machinery, equipment and vehicles.

Liabilities decreased by 4,786 million yen from the end of the previous fiscal year to 108,523 million yen, due to decreases in notes and accounts payable – trade and short-term loans payable, which offset an increase in long-term loans payable.

Net assets decreased by 2,088 million yen from the end of the previous fiscal year to 62,158 million yen, due to a decrease in foreign currency translation adjustment.

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

Although the progress rate of profit against the plan as of the end of the first half of the fiscal year was low, the Group plans to record higher profit from product sales, mainly in North America, in the second half. Accordingly, 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. Semi-annual consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	14,356	13,161
Notes and accounts receivable - trade	35,259	34,181
Merchandise and finished goods	6,752	6,553
Work in process	6,751	6,621
Raw materials and supplies	14,948	14,433
Other	3,440	2,571
Allowance for doubtful accounts	(13)	(27)
Total current assets	81,495	77,496
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,011	19,050
Machinery, equipment and vehicles, net	44,231	39,841
Construction in progress	5,119	7,207
Other, net	12,066	11,738
Total property, plant and equipment	81,428	77,837
Intangible assets	583	725
Investments and other assets		
Investment securities	9,242	9,443
Other	4,804	5,178
Total investments and other assets	14,047	14,621
Total non-current assets	96,059	93,184
Total assets	177,555	170,681

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,229	25,201
Short-term loans payable	32,481	29,160
Current portion of long-term loans payable	11,634	11,416
Income taxes payable	807	326
Provision for directors' bonuses	28	31
Other	10,865	10,402
Total current liabilities	82,047	76,539
Non-current liabilities		
Bonds payable	2,000	2,000
Long-term loans payable	24,139	25,032
Provision for directors' retirement benefits	61	56
Net defined benefit liability	793	866
Negative goodwill	22	19
Other	4,244	4,008
Total non-current liabilities	31,262	31,983
Total liabilities	113,309	108,523
Net assets		
Shareholders' equity		
Capital stock	6,790	6,790
Capital surplus	6,427	6,427
Retained earnings	21,989	22,101
Treasury shares	(79)	(76)
Total shareholders' equity	35,127	35,242
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	698	885
Deferred gains or losses on hedges	222	104
Foreign currency translation adjustment	14,667	12,698
Remeasurements of defined benefit plans	796	674
Total accumulated other comprehensive income	16,385	14,363
Non-controlling interests	12,733	12,552
Total net assets	64,246	62,158
Total liabilities and net assets	177,555	170,681

(2) Semi-annual consolidated statements of income and comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	145,810	142,094
Cost of sales	137,716	130,252
Gross profit	8,093	11,842
Selling, general and administrative expenses	9,523	8,993
Operating profit (loss)	(1,430)	2,848
Non-operating income		
Interest income	81	102
Dividend income	58	57
Share of profit of entities accounted for using equity method	65	58
Other	185	138
Total non-operating income	391	357
Non-operating expenses		
Interest expenses	1,462	1,049
Foreign exchange losses	438	324
Other	26	8
Total non-operating expenses	1,926	1,382
Ordinary profit (loss)	(2,965)	1,824
Extraordinary income		
Gain on sales of non-current assets	15	185
Gain on sales of investment securities	—	0
Total extraordinary income	15	185
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	24	10
Total extraordinary losses	24	10
Profit (loss) before income taxes	(2,974)	1,999
Income taxes - current	1,756	2,207
Income taxes - deferred	328	(803)
Total income taxes	2,085	1,403
Profit (loss)	(5,059)	595
Profit (loss) attributable to		
Profit (loss) attributable to owners of parent	(4,860)	299
Profit (loss) attributable to non-controlling interests	(199)	296
Other comprehensive income		
Valuation difference on available-for-sale securities	(346)	187
Deferred gains or losses on hedges	43	(120)
Foreign currency translation adjustment	3,165	(1,944)
Remeasurements of defined benefit plans, net of tax	3	(116)
Share of other comprehensive income of entities accounted for using equity method	261	(125)
Total other comprehensive income	3,127	(2,118)
Comprehensive income	(1,931)	(1,523)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,051)	(1,722)
Comprehensive income attributable to non-controlling interests	120	199

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(2,974)	1,999
Depreciation	7,494	6,366
Amortization of goodwill	(2)	(2)
Increase (decrease) in assets and liabilities related to retirement benefits	34	(22)
Increase (decrease) in provision for directors' retirement benefits	(2)	(4)
Increase (decrease) in provision for directors' bonuses	(17)	3
Interest and dividend income	(140)	(160)
Interest expenses	1,462	1,049
Foreign exchange losses (gains)	297	48
Share of loss (profit) of entities accounted for using equity method	(65)	(58)
Loss (gain) on sales of property, plant and equipment	(15)	(185)
Loss on retirement of property, plant and equipment	24	10
Decrease (increase) in notes and accounts receivable - trade	10,230	447
Decrease (increase) in inventories	(2,481)	339
Increase (decrease) in notes and accounts payable - trade	(2,893)	(528)
Loss (gain) on sale of investment securities	—	(0)
Increase (decrease) in contract liabilities	494	197
Decrease (increase) in accounts receivable - other	946	150
Other, net	(1,091)	(512)
Subtotal	11,299	9,137
Interest and dividend income received	197	217
Interest expenses paid	(1,503)	(1,079)
Income taxes paid	(2,266)	(1,879)
Net cash provided by (used in) operating activities	7,726	6,396
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,027)	(5,240)
Proceeds from sales of property, plant and equipment	220	421
Purchase of intangible assets	(22)	(196)
Purchase of investment securities	(42)	(38)
Proceeds from sale of investment securities	—	0
Payments into time deposits	—	(101)
Proceeds from withdrawal of time deposits	—	150
Other, net	52	(197)
Net cash provided by (used in) investing activities	(3,818)	(5,202)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,023)	(3,168)
Proceeds from long-term loans payable	7,800	7,493
Repayments of long-term loans payable	(7,147)	(5,975)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(187)	(187)
Dividends paid to non-controlling interests	(236)	(381)
Repayments of lease obligations	(313)	(234)
Proceeds from sale of treasury shares	—	2
Other, net	55	128
Net cash provided by (used in) financing activities	(1,052)	(2,322)
Effect of exchange rate change on cash and cash equivalents	778	(17)
Net increase (decrease) in cash and cash equivalents	3,633	(1,145)
Cash and cash equivalents at beginning of period	12,204	14,256
Cash and cash equivalents at end of period	15,837	13,110

(4) Notes to semi-annual consolidated financial statements

Uncertainties of entity's ability to continue as going concern

Not applicable.

Substantial changes in the amount of shareholders' equity

Not applicable.

Application of special accounting for preparing semi-annual consolidated financial statements

(Calculation of tax expenses)

Tax expenses in the semi-annual 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 semi-annual period ended September 30, 2025, and next by multiplying the semi-annual profit (loss) before income taxes by such estimated effective tax rate.

Segment information, etc.

Segment information

I. Six months ended September 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	14,355	109,052	22,401	145,810
Intersegment sales and transfers	6,001	725	1,525	8,252
Total	20,357	109,777	23,926	154,062
Segment loss	(360)	(339)	(780)	(1,480)

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	(1,480)
Elimination of intersegment transactions	50
Operating loss in the consolidated statements of income and comprehensive income	(1,430)

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

Not applicable.

II. Six months ended September 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	13,960	109,579	18,554	142,094
Intersegment sales and transfers	6,823	692	1,535	9,051
Total	20,784	110,271	20,090	151,146
Segment profit (loss)	(85)	2,760	200	2,874

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	2,874
Elimination of intersegment transactions	(26)
Operating profit in the consolidated statements of income and comprehensive income	2,848

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

Not applicable.