

# Financial Results for the Fiscal Year Ended March, 2020

May 12, 2020

F-TECH Inc.

TSE 1<sup>st</sup> Section :7212

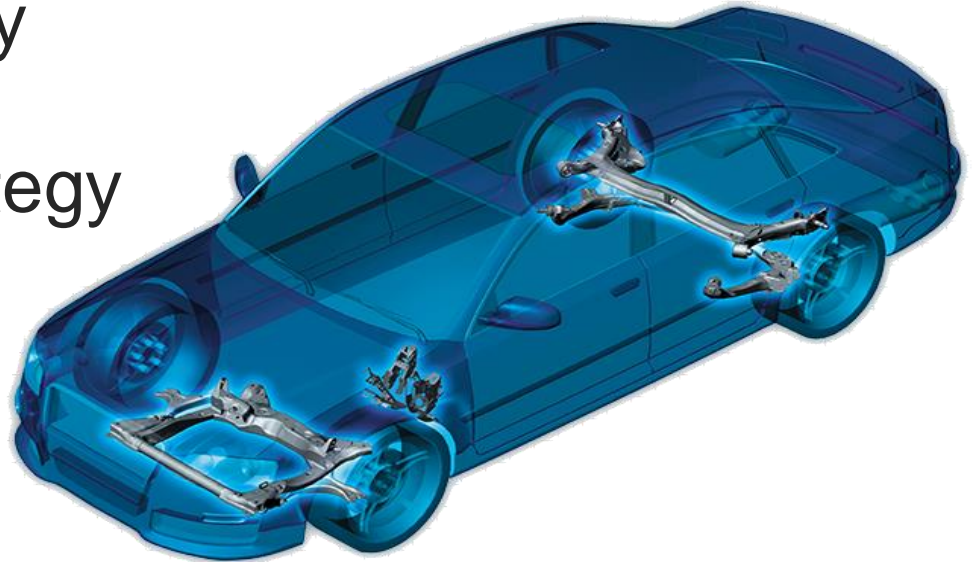
<https://www.ftech.co.jp>

At this point in time, it is difficult to calculate the impact of COVID-19 rationally, and to foresee our financial situation in the future.

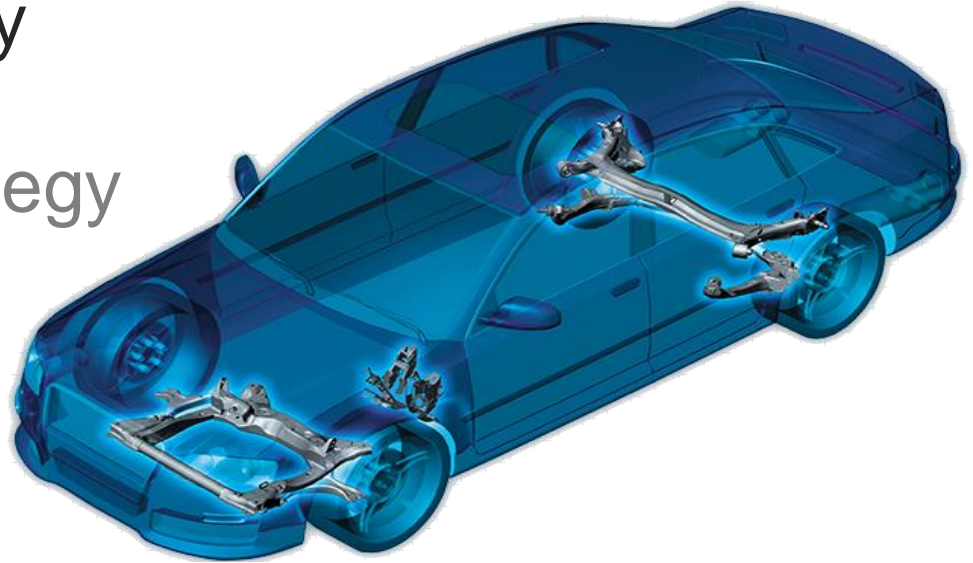
Therefore, the detail of 14<sup>th</sup> Midterm business plan, which starts with this business term, and the forecast of March FY 2021 have not been ready yet.

When the information becomes available, we will disclose it in a prompt manner.

1. Financial Summary
2. Management Strategy
3. Topics



1. Financial Summary
2. Management Strategy
3. Topics



# Consolidated Financial Results Overview (Year on Year)



(Unit :Million Yen)

	FY ended Mar. 2019 Actual		FY ended Mar. 2020 Actual		Difference	
Sales	235,361	100.0%	218,712	100.0%	▲16,649	▲7.1%
Operating profit	6,580	2.8%	4,088	1.9%	▲2,492	▲37.9%
Ordinary profit	5,968	2.5%	2,764	1.3%	▲3,204	▲53.7%
Profit Attributable to owners of parent	2,844	1.2%	328	0.2%	▲2,516	▲88.5%
Earnings per share (Yen)	152.30	—	17.58	—	▲134.72	▲88.5%

## Foreign Exchange Impacts

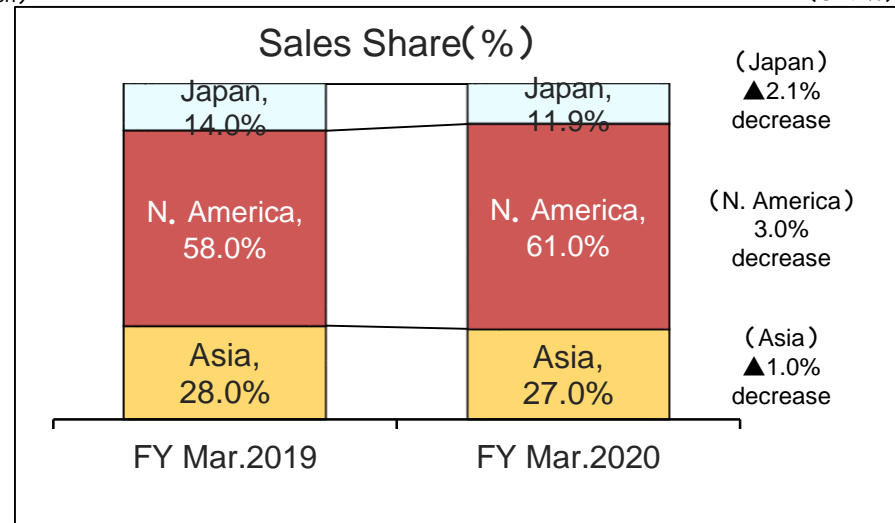
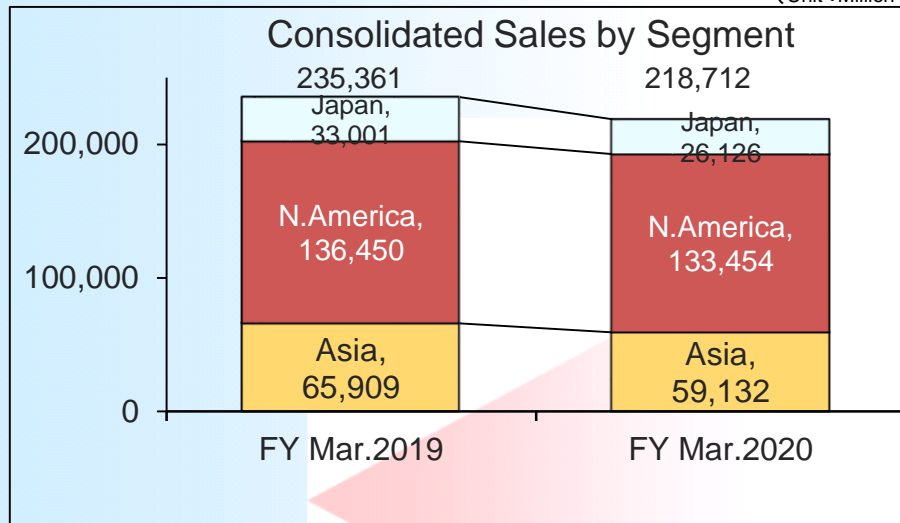
	FY Mar. 2019	FY Mar.2020	Difference
1US\$	111.08 yen	108.95 yen	▲2.13 yen
1CAN\$	84.48 yen	81.67 yen	▲2.81 yen
1Yuan(RMB)	16.64 yen	15.82 yen	▲0.82 yen

Decrease in sales and profit (Decreased sales: due to decrease of orders and foreign exchange impact, Decreased profit: due to decrease of sales and COVID-19 impact)

# Consolidated Sales (Year on Year)

(Unit : Million Yen)

(Unit : %)



## Change in Consolidated Sales

	FY Mar 2019	FY Mar 2020	Difference	Difference(%)	FX Impacts	Real Difference	Difference(%)
Japan	33,001	26,126	▲6,875	▲20.8%	—	▲6,875	▲20.8%
N. America	136,450	133,454	▲2,995	▲2.2%	▲3,322	325	0.2%
Asia	65,909	59,132	▲6,776	▲10.3%	▲2,054	▲4,722	▲7.2%
<b>Consolidated</b>	<b>235,361</b>	<b>218,712</b>	<b>▲16,648</b>	<b>▲7.1%</b>	<b>▲5,376</b>	<b>▲11,272</b>	<b>▲4.8%</b>

Overseas segments contributed to 88.1% of consolidated sales. Sales in Japan and Asia considerably decreased. North America picked up the results of full-year production of newly awarded contracts.

# Operating profit by Segment (Year on Year)

(Unit: Million Yen)

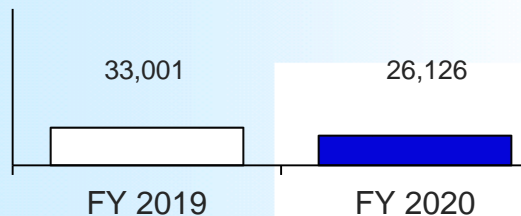
	Operating profit			
	FY Mar 2019 Actual	FY Mar 2020 Actual	Difference	Difference (%)
Japan	921	▲683	▲1,604	▲174.1%
N. America	▲54	367	422	—
Asia	5,275	4,365	▲909	▲17.2%
<b>Total</b>	<b>6,142</b>	<b>4,050</b>	<b>▲2,091</b>	<b>▲34.0%</b>
Adjust	438	37	▲401	▲91.5%
<b>Consolidated</b>	<b>6,580</b>	<b>4,088</b>	<b>▲2,492</b>	<b>▲37.9%</b>

Share		
FY Mar 2019 Actual	FY Mar 2020 Actual	Difference
14.0%	▲16.7%	▲30.7%
▲0.8%	9.0%	9.8%
80.2%	106.8%	26.6%
<b>93.3%</b>	<b>99.1%</b>	<b>5.7%</b>
6.7%	0.9%	▲5.7%
<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

# Operating Performance by Segment (Japan)

(Unit: Million Yen)

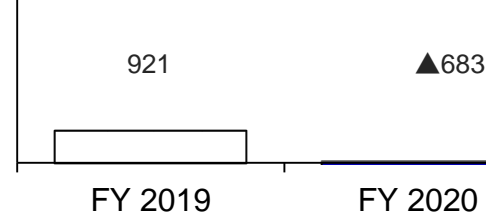
## Sales



Change	▲6,875
Change %	▲20.8%
FX Impact	—
Real Change	▲6,875
Change%	▲20.8%

Reason of change		
1	Product sales to main customers decrease	▲6,790
2	Machine and Tools sales to Gr. Companies increase	2,620
3	Technical services income decrease (Royalty, Development fee)	▲533
4	Domestic subsidiaries sales decrease	▲958
5	Elimination of Intercompany sales	▲1,215
Total		▲6,875

## Operating Profit

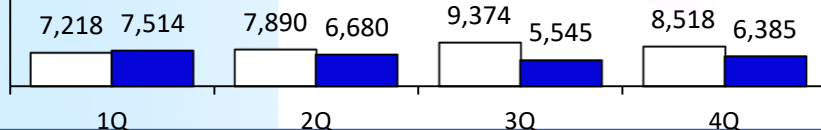


Change	▲1,604
Change %	▲174.1%
FX Impact	—
Real Change	▲1,604
Change %	▲174.1%

Reason of change		
1	Product sales decrease	▲1,207
2	Machine and Tools sales increase	233
3	Technical services income decrease (Royalty, Development fee)	▲557
4	Domestic subsidiaries sales decrease	▲4
5	SG&A expense increase	▲70
Total		▲1,604

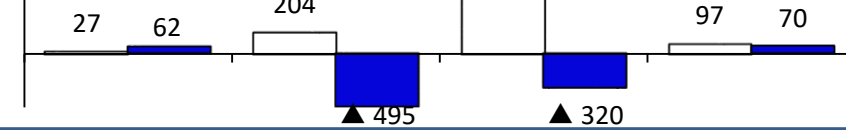
## Quarterly Change

□ Last Year  
■ This year



## Quarterly Change

□ Last Year  
■ This Year

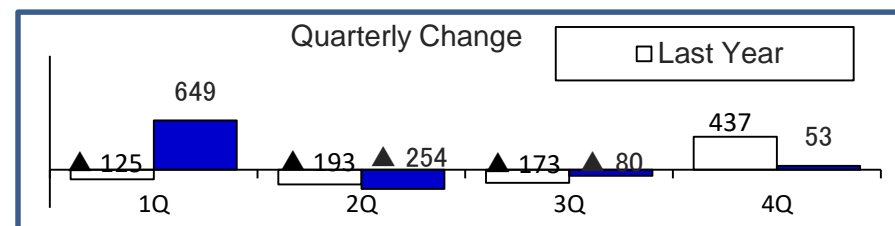
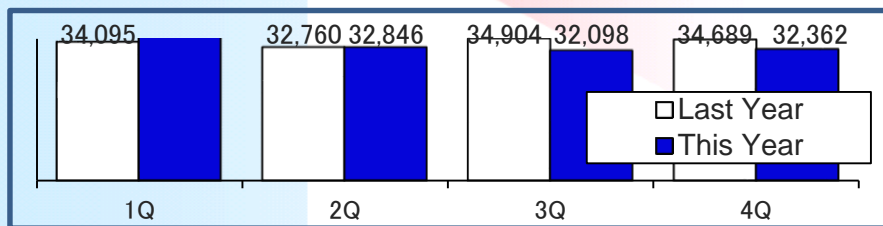
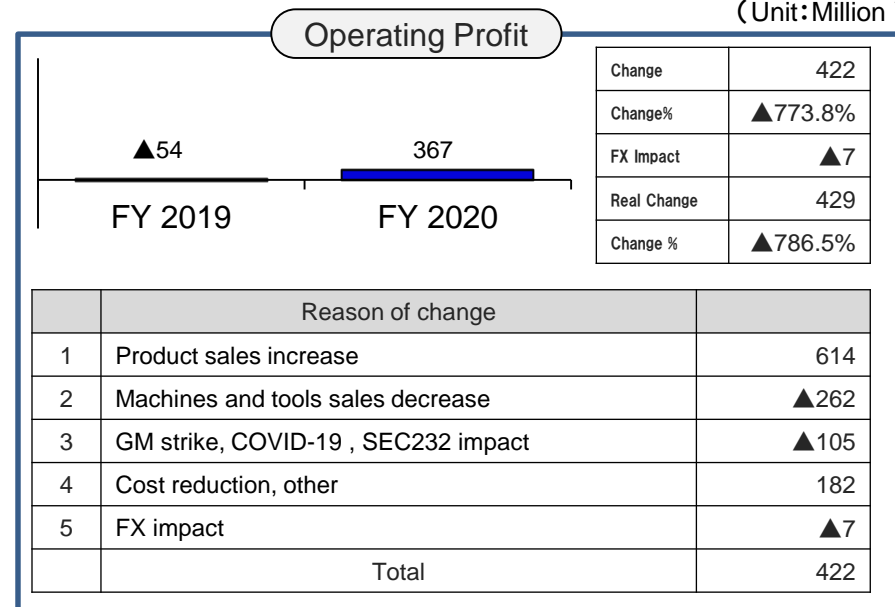
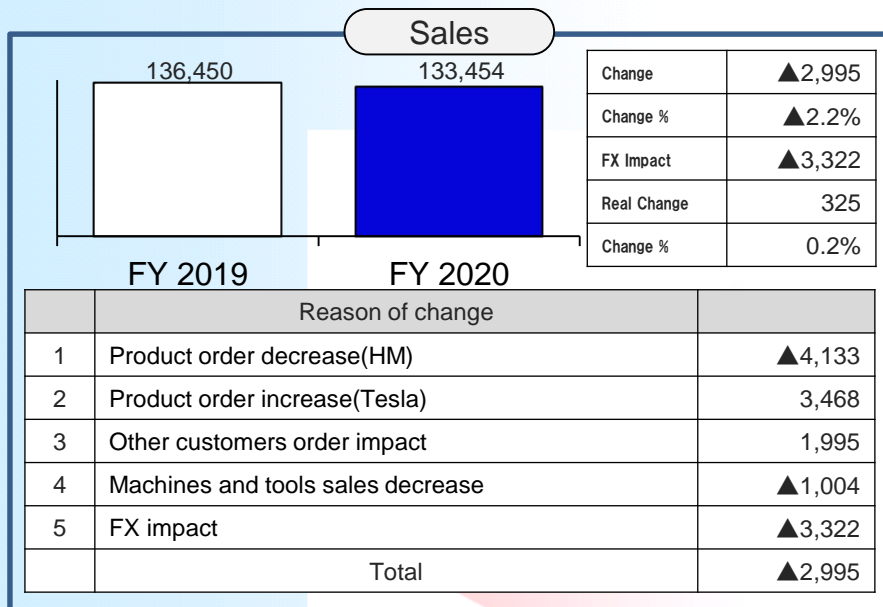


Decrease in sales and income (Decreased sales: due to volume reduction at main customer, Decreased profit: mainly due to sales reduction and royalty reduction)



# Operating Performance by Segment (N. America)

(Unit: Million Yen)

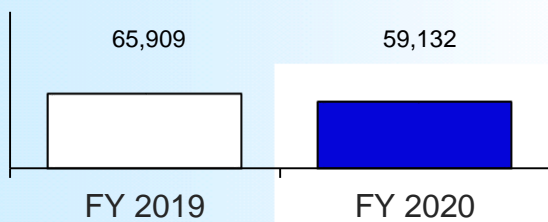


Decrease in Sales, but increase in profit (Sales: HM reduction was offset by other OEMs, Profit: Although negative impact from previous term has been solved, profit declined due to COVID-19 effect)

# Operating Performance by Segment (Asia)

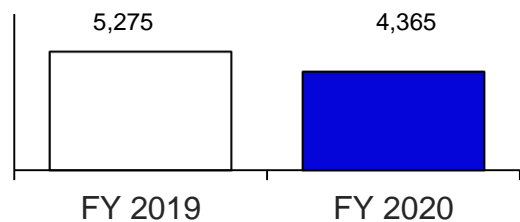
(Unit: Million Yen)

## Sales



Change	▲6,776
Change %	▲10.3%
FX Impact	▲2,054
Real Change	▲4,722
Change %	▲7.2%

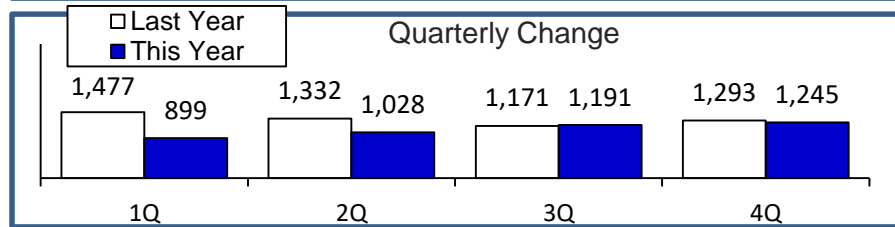
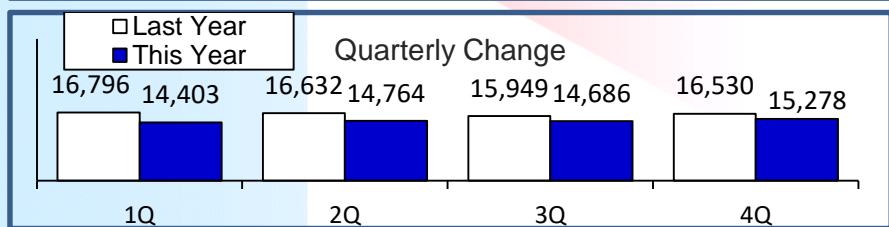
## Operating Profit



Change	▲909
Change %	▲17.2%
FX Impact	▲217
Real Change	▲691
Change %	▲13.1%

Reason of change		
1	(China) Product sales to main customer decrease	▲1,658
2	(Asia) Product sales to main customer decrease	▲3,065
3	FX impact	▲2,054
Total		▲6,776

Reason of change		
1	(China) Product sales to main customer decrease	▲200
2	(China) Subsidy for the investment	139
3	(Asia) Product sales to main customer decrease	▲631
4	FX impact	▲217
Total		▲909



Decrease in Sales and profit (Decreased sales: due to production reduction at main customer (model mix was changed), and FX impact, Decreased profit: due to sales reduction)

# Changes in Operating Profit

Japan

N. America

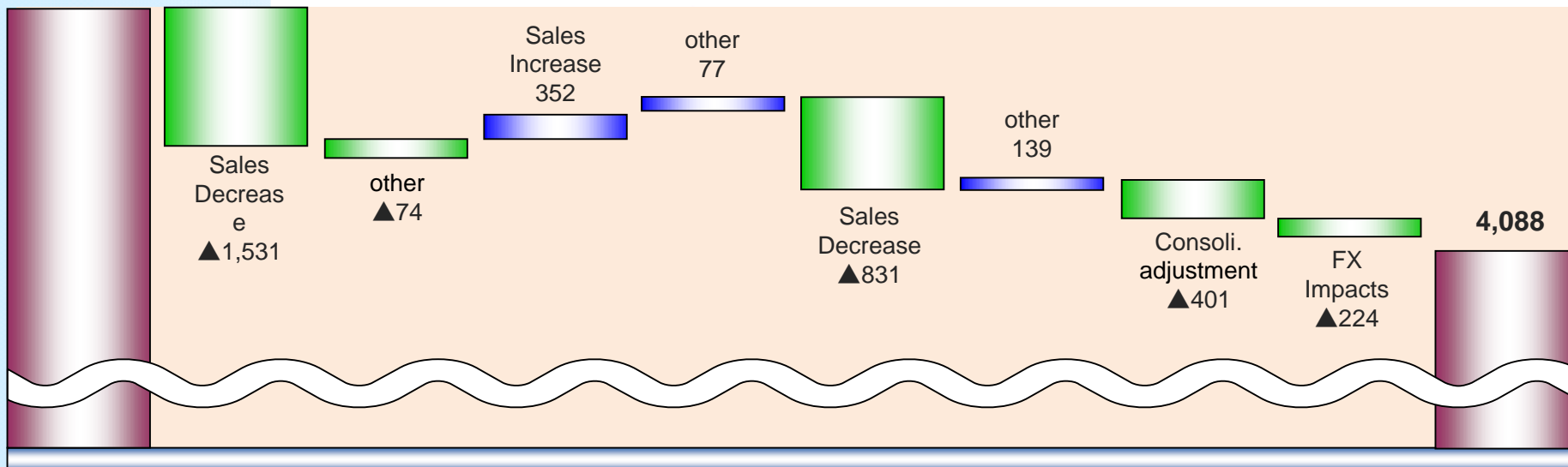
Asia

Decrease

Increase

(Unit: Million Yen)

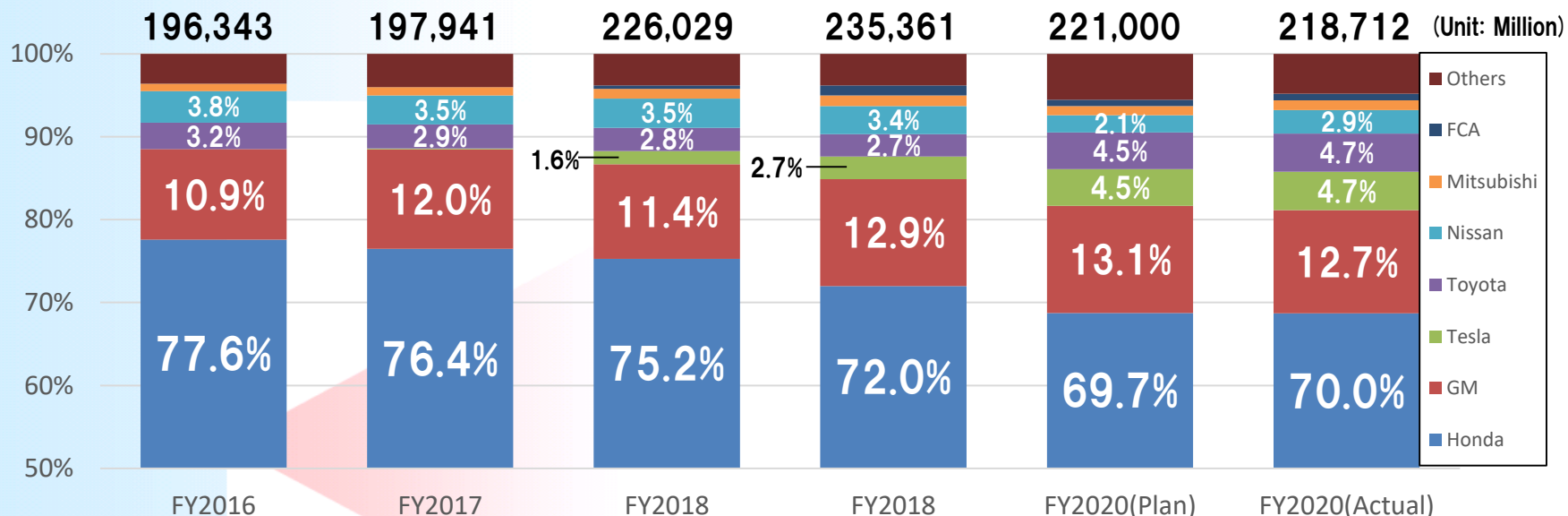
6,580



FY 2019  
Actual

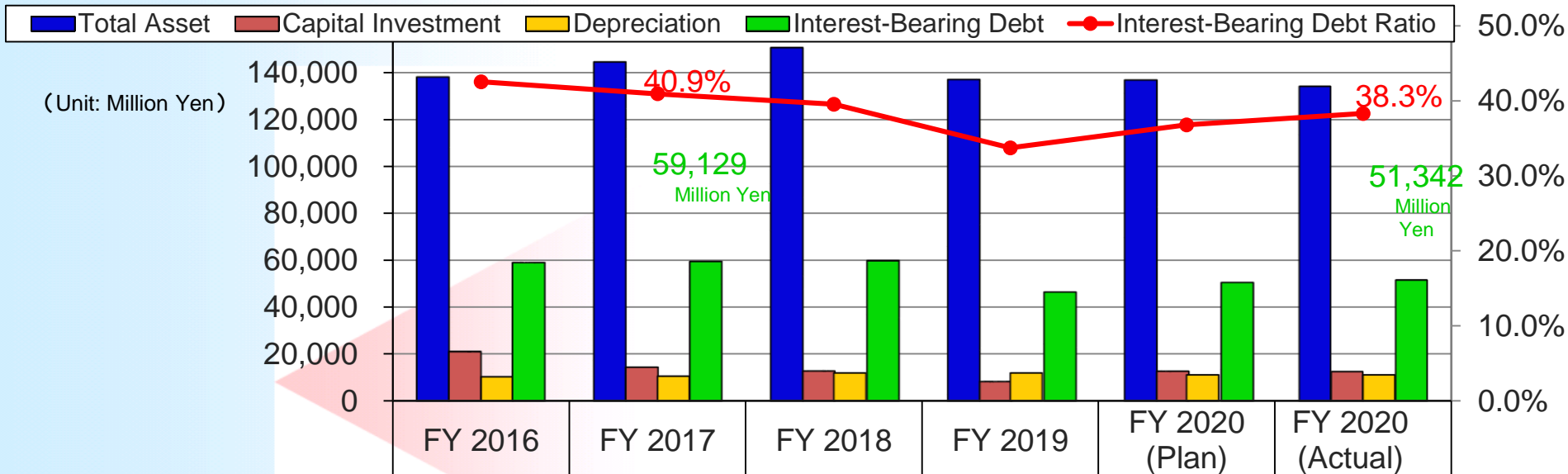
FY 2020  
Actual

# Sales changes by Customer



	FY2016	FY2017	FY2018	FY2018	FY2020(Plan)	FY2020(Actual)
	FY Mar 2016	FY Mar 2017	FY Mar 2018	FY Mar 2019	FY Mar 2020	FY Mar 2020(Actual)
Honda	152,435	151,282	170,089	169,512	154,074	153,004
GM	21,345	23,683	25,782	30,258	28,929	27,719
Tesla	-	247	3,661	6,443	10,055	10,211
Toyota	6,204	5,658	6,428	6,300	6,828	6,471
Nissan	7,435	6,985	7,957	7,977	4,543	6,275
Mitsubishi	1,803	2,036	2,648	3,051	2,457	2,597
FCA	-	71	1,010	2,913	1,761	1,686
Others	7,121	7,979	8,454	8,907	12,353	10,749
	196,343	197,941	226,029	235,361	221,000	218,712

# Financial Position



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 (Plan)	FY 2020 (Actual)
Total Asset	137,980	144,420	150,525	137,010	136,717	134,038
Capital Investment	20,578	14,094	12,435	8,056	12,374	12,238
Depreciation	10,081	10,335	11,666	11,720	10,944	10,890
Interest-Bearing Debt	58,686	59,129	59,510	46,220	50,296	51,342
Interest-Bearing Debt Ratio	42.5%	40.9%	39.5%	33.7%	36.8%	38.3%

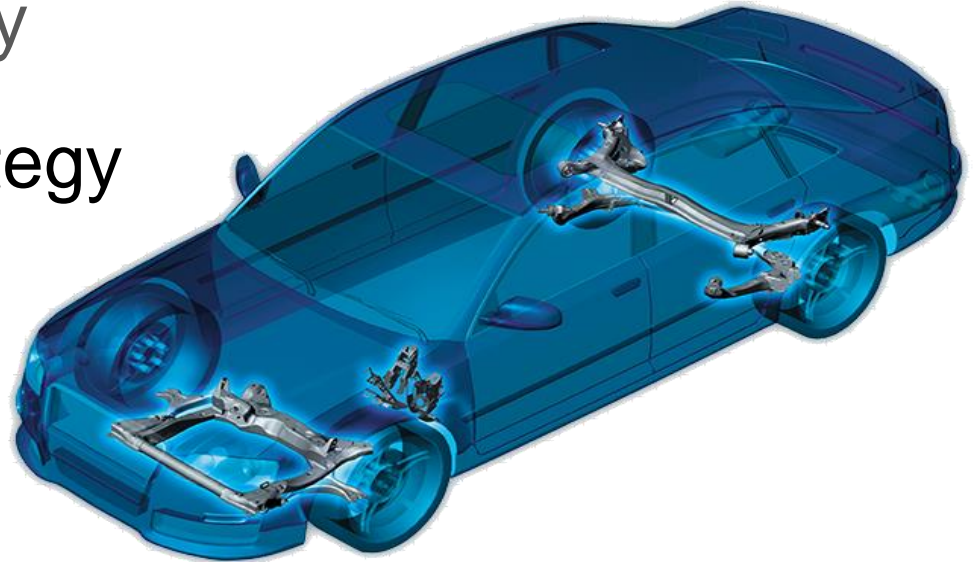
## FY Mar 2020 Forecast

	End of Q1	End of Q2	End of Q3	End of Q4	Total	Payout Ratio
<b>FY Mar 2020 Dividend Forecast</b>	—	<b>10 Yen</b>	—	<b>10 Yen</b>	<b>20 Yen</b>	<b>113.7%</b>
(FYI) FY Mar 2019 Actual	—	10 Yen	—	10 Yen	20 Yen	13.1%
Difference (Year on Year)	—	—	—	—	—	100.6%

## Dividend Policy

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. Our payout ratio target is 10% or greater of the "Net profit attributable to parent company shareholders", and it is paid out twice a year – middle and end of the year.

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## Corporate Policy **Back to Basics, Challenge for New**

Mar 2017

Mar 2018

Mar 2019

Mar 2020

### Actuals

Consolidated Sales

**197.9 B Yen**

Operating profit ratio

**4.1%**

Interest bearing debt ratio

**40.9%**

Achieve strong financial positions and high profitability

### Target

Consolidated Sales

**212.0 B Yen**

Operating profit ratio

**5.0%**

Interest-Bearing Debt ratio

**35.0%**

## Back to Basics

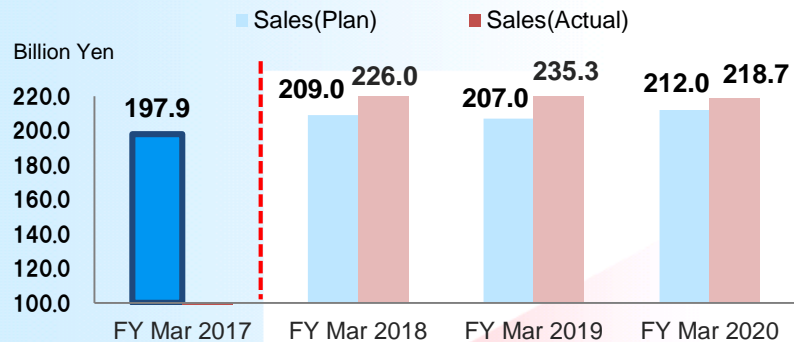
- Provide our customers with excellent value
- Production plants to maximize the profit
- Support function to minimize the cost and provide production plants with value
- Establish strong financial positions

## Challenge for New

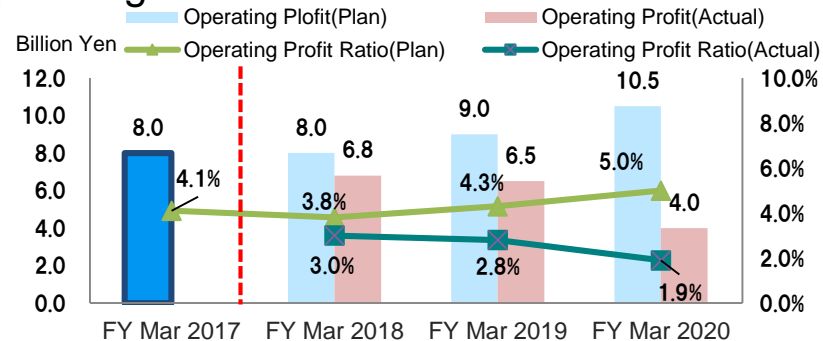
- Acquire and expand new customers
- Propose new breakthrough products
- Establish new technologies and new processing methods
- Plan and execute new business opportunities



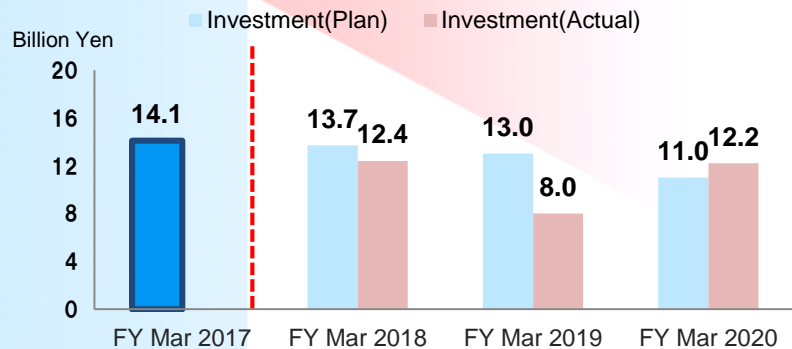
## Sales



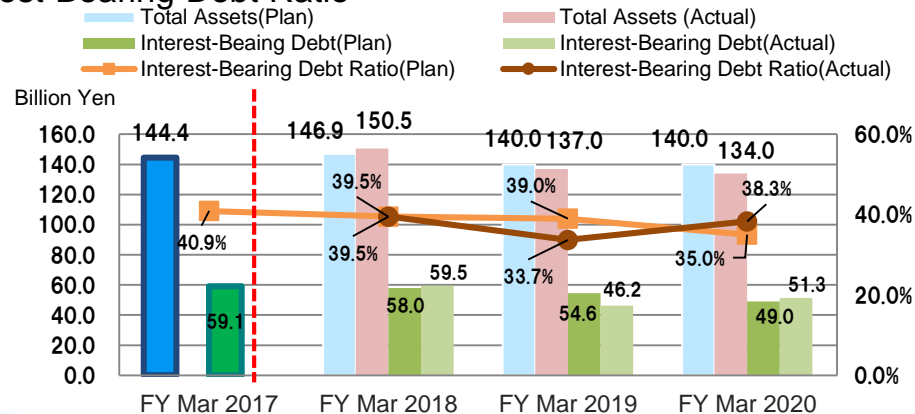
## Operating Profit



## Investment plan



## Interest-Bearing Debt Ratio

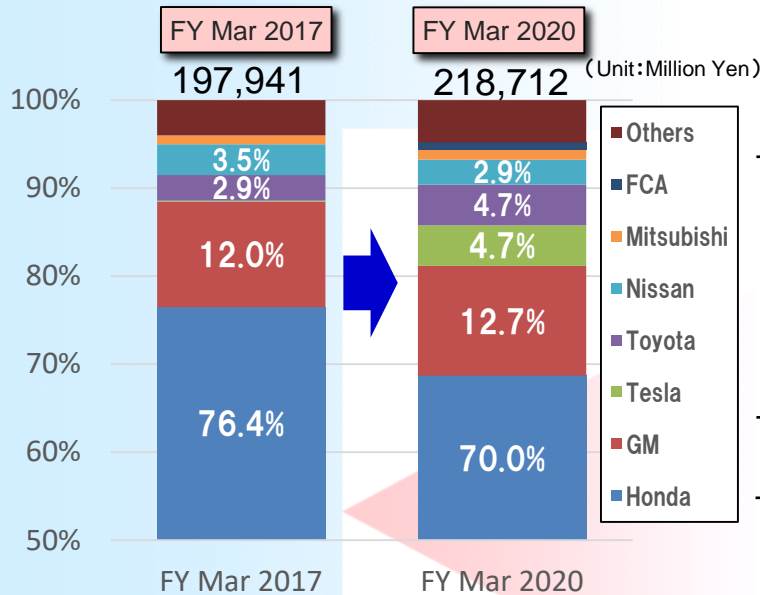


## Midterm Three-Year Plan: the 3<sup>rd</sup> Year Plan vs. Actual

(Unit: Billion Yen)	Midterm 3 <sup>rd</sup> Year Plan	FY 2020 Actual	Evaluation
Sales	212.0	218.7	◎
Operating Profit	10.5	4.0	×
Investment Plan	11.0	12.2	△
Interest-bearing Debt	49.0	51.3	△
Investment-bearing Debt Ratio	35.0%	38.3%	△

Sales are on plan. Investment, Interest-bearing Debt, and Interest-bearing Debt ratio are mostly on plan. Operating Profit has significant gap to the plan and, the recovery plans have been taken place.

FY Mar 2017 ⇒ FY Mar 2020

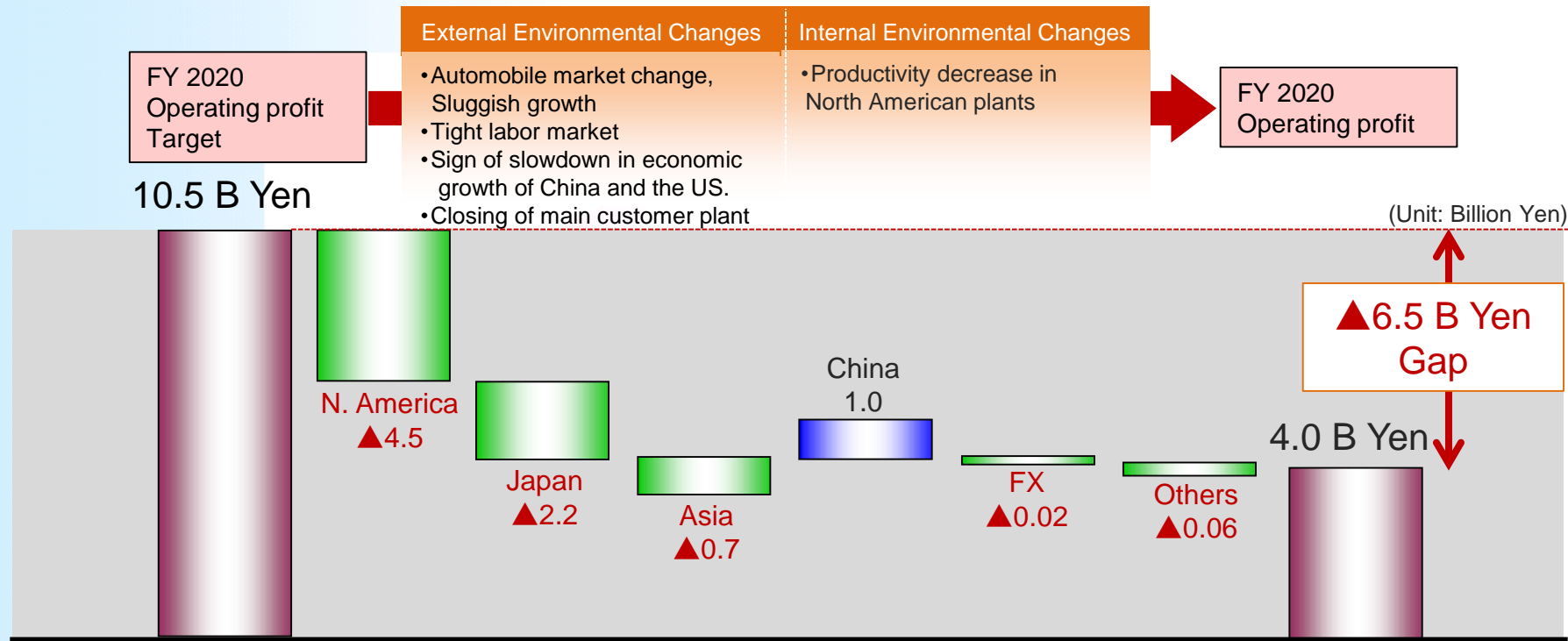


	Sales (Million Yen)		Share	
Honda	151,282	153,004	76.4%	70.0%
Other OEMs	46,659	65,708	23.6%	30.0%

	FY Mar 2017	FY Mar 2020(Actual)
Honda	151,282	153,004
GM	23,683	27,719
Tesla	247	10,211
Toyota	5,658	6,471
Nissan	6,985	6,275
Mitsubishi	2,036	2,597
FCA	71	1,686
Others	7,979	10,749
<b>Total</b>	<b>197,941</b>	<b>218,712</b>

Sales expansion to other OEMs has been successful  
While Honda sales are increasing, the share of other OEMs are growing as well

# Change factors to Operating profit by segment



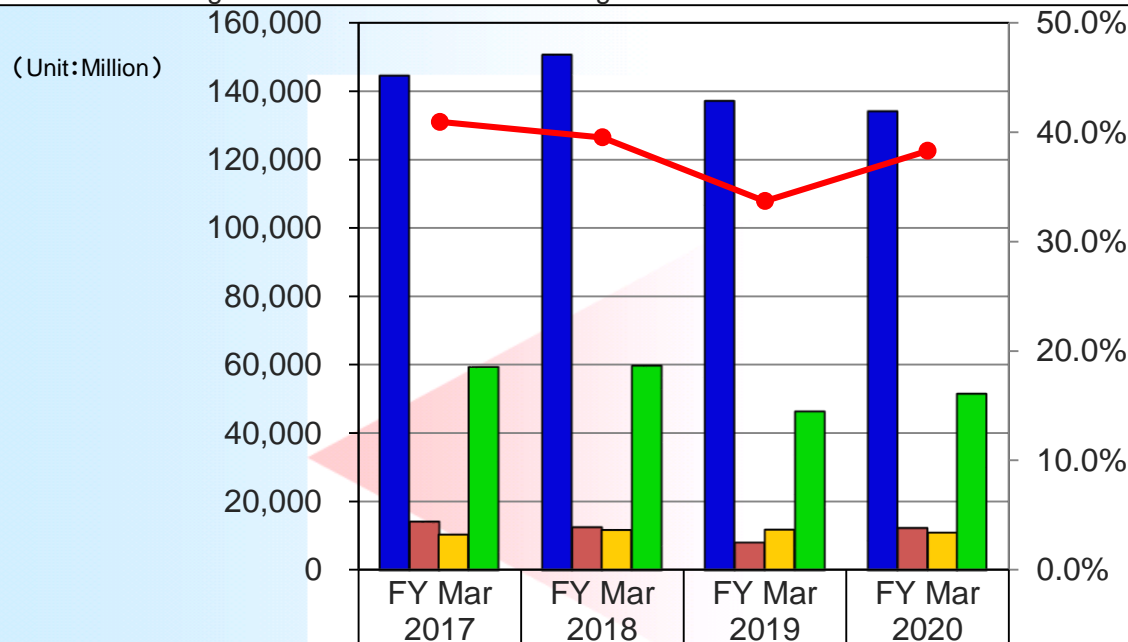
We have to urgently reinforce the productivity and profitability in N. America and to manage the income decrease in Japan and Asia.

## Capital Investment

- Investment for the order of new models
  - Expansion of capacity for the increased production
- ⇒ 3 Year Average: 10.9 Billion yen  
 3 Year depreciation Average: within 11.4 Billion yen

## Reason for Increase in Interest-Bearing Debt

- Increase of lease obligations due to the application of new lease accounting policy (Approximately 1.3 Billion yen )
  - Liquidity on hand provide against the impact of spread of COVID-19 (Approximately 2.5 Billion yen (NA))
- ⇒ Interest-Bearing Debt balance: 47.5 Billion yen  
 Target: 49 billion yen or less



Total Asset	144,420	150,525	137,010	134,038
Capital Investment	14,094	12,435	8,056	12,238
Depreciation	10,335	11,666	11,720	10,890
Interst-Bearing Debt	59,129	59,510	46,220	51,342
Interst-Bearing Debt ratio	40.9%	39.5%	33.7%	38.3%

Issues	Challenges	Countermeasures	Completed activities
Cost increased Labor, Outsourcing + associated expenses	Cost reduction	Logistics improvement Bring back to in house Manpower reduction	<ul style="list-style-type: none"> <li>● Consolidate warehouses, Line layout change ⇒to improve internal flow of the plant</li> <li>● Change to in house operation gradually in FY2019</li> <li>● Reduce continuously by improving efficiencies and logistics</li> </ul>
Loss increased Scrap/Additional inspections	Loss reduction	Improvement of manufacturing accuracy Scrap reduction	<ul style="list-style-type: none"> <li>● Send technical experts from Japan for training ⇒Develop skilled associates (Die maintenance, etc.)</li> <li>● Improvement of stamping accuracy to reduce loss</li> </ul>
Lowered productivity Additional outsourcing	Productivity increase	Improve associates' capabilities Automation	<ul style="list-style-type: none"> <li>● Provide trainings by support associates from Japan</li> <li>● Change temporary to fulltime employees</li> <li>● Weld line was partially automated (inspection, parts exiting area)</li> </ul>

Profitability was lowered

Various activities have been in pace and gradually show the results. Production at customers are fluctuating, and external environment is changing.

Activities are ongoing

Issues	Impact to P&L	Challenges and activities
Sales volume not growing	Sales leveled off	<ul style="list-style-type: none"> <li>● Respond to localization ⇒Expand sales with existing customers</li> <li>● Develop new customers</li> <li>● Diversified income sources ⇒Create new business opportunities</li> </ul>
Efficiencies of production lines declined	Increase of fixed costs and depreciation	<ul style="list-style-type: none"> <li>● Reduce fixed costs (consolidate warehouses, etc.)</li> <li>● Reduce investment</li> </ul>
Turnover ratio increased	Increase of labor costs	<ul style="list-style-type: none"> <li>● Improve efficiency of SGA jobs→Improve productivity by consolidating jobs</li> <li>● Improve efficiency of production lines→Reduce direct associates</li> <li>● Continued kaizen activities → Automation, efficiency improvement</li> </ul>

Expansion of sales in Japan and Asia segment has been promoted as well. Fix costs and other expenses are reduced, and various activities to improve efficiencies are taken place in order to strengthen earning power.

## 13<sup>th</sup> Midterm business plan

### Achieve strong financial positions

Reinforce the free cash flow operation

The goal on Interest-bearing debt ratio was almost achieved

### Achieve high profitability

Sales increase with diversification of customers was achieved

#### <Business environmental changes>

- Trade environment
- Automobile market
- Tight labor market

#### <Internal environmental changes>

- Decreased production efficiencies, Increased cost

Resulted in low profitability

## 14<sup>th</sup> Midterm Business Plan

Corporate policy: Let's exceed our limits! We will, without compromise, produce the "Best One" for all our customers

66<sup>th</sup> term (FY2020)

67<sup>th</sup> term (FY2021)

68<sup>th</sup> term (FY2022)

Maximize group efficiency

### Goal

- Productivity Manpower efficiency  
Year on year: ▲ 1 point
- Efficiency Automated inspection device performance confirmation
- Profitability (Including the quality) Scrap to sales ratio  
Year on year: 0.1% or less
- FCF Turning positive

Common attitude that all F-tech group associates should have

# Better than Ever

## 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



## Japan

As of May 11<sup>th</sup>

Plant	Main customer status		Production status	Employment status
	Production	Restart plan	Shipping/Operation	Employment (Direct/SGA)
Kuki	×	<ul style="list-style-type: none"> <li>Restart planned after May 10<sup>th</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>Shipping being made based on customers' situation.</li> <li>Overseas shipments not affected, other lines are down depending on situation.</li> </ul>	<ul style="list-style-type: none"> <li>SGA associates are either working from home or on staggered shifts.</li> </ul>
Kameyama	△	<ul style="list-style-type: none"> <li>Temporarily suspended, however, normal operation has been resumed.</li> </ul>	<ul style="list-style-type: none"> <li>Shipping being made based on customers' situation.</li> </ul>	<ul style="list-style-type: none"> <li>Line associates' schedule is adjusted based on which lines are running.</li> <li>SGA associates are either working from home or on staggered shifts.</li> </ul>

# Current status due to COVID-19 impact



## North America

As of May 11<sup>th</sup>

Plant	Main customer status		Production status	Employment status
	Production	Restart plan	Shipping/Operation	Employment (Direct/SGA)
Canada	X	<ul style="list-style-type: none"> <li>•Production has been suspended since end of March.</li> <li>•Shutdown extended through mid or end of May.</li> </ul>	<ul style="list-style-type: none"> <li>•Operation has been suspended due to customers' shutdown.</li> <li>•Preparing for restart planned in mid May.</li> </ul>	<ul style="list-style-type: none"> <li>•Basically furlough</li> <li>•Rehiring depending on the situation.</li> </ul>
U.S.A	X	<ul style="list-style-type: none"> <li>•Production has been suspended since end of March.</li> <li>•Partially resume in mid May, and other resume in end of May.</li> </ul>	<ul style="list-style-type: none"> <li>•Operation has been suspended due to customers' shutdown.</li> <li>•Limited associates coming to work.</li> <li>•Preparing the environment for restart.</li> </ul>	<ul style="list-style-type: none"> <li>•Basically furlough</li> <li>•PTO.</li> <li>•Based on associates' levels.</li> </ul>
Mexico	X	<ul style="list-style-type: none"> <li>•Production has been suspended since end of March.</li> <li>•Shutdown extended through mid May.</li> </ul>	<ul style="list-style-type: none"> <li>•Operation has been suspended due to customers' shutdown.</li> <li>•Preparing for restart planned in mid May, but still under negotiation since automotive industry is not exempted from shelter in place order.</li> </ul>	<ul style="list-style-type: none"> <li>•Continuous employment</li> </ul>

# Current status due to COVID-19 impact

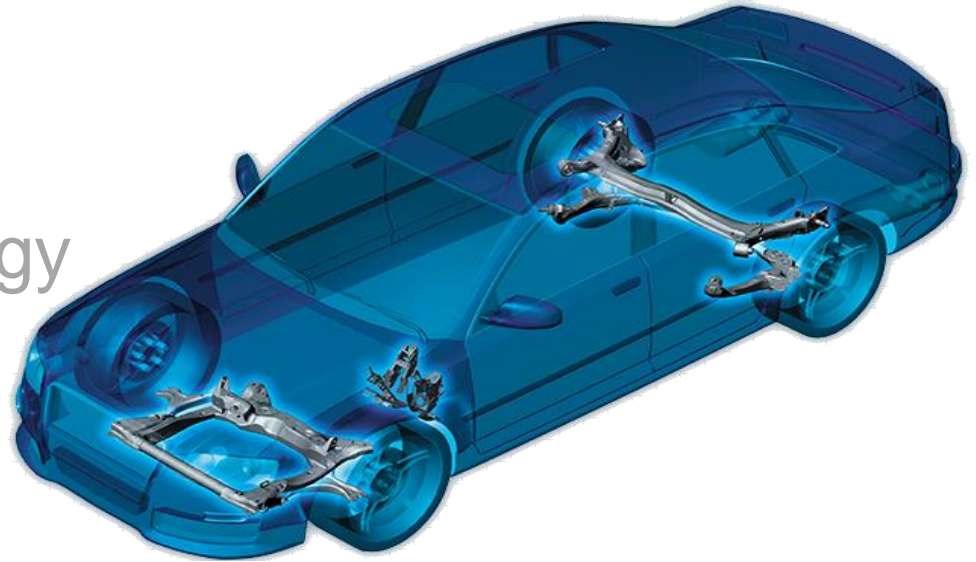


## China and Asia

As of May 11<sup>th</sup>

Plant	Main customer status		Production status	Employment status
	Production	Restart plan	Shipping/Operation	Employment (Direct/SGA)
China	○	<ul style="list-style-type: none"> <li>•Already resumed.</li> <li>•Full production in April and May is planned.</li> </ul>	<ul style="list-style-type: none"> <li>•Production has been resumed based on customer's situation.</li> </ul>	<ul style="list-style-type: none"> <li>•All SGA associates returning to work including expats at Zhongshan. .</li> <li>•All associates but expats returning to work.</li> </ul>
Thailand	△	<ul style="list-style-type: none"> <li>•Production has been suspended since end of March.</li> <li>•Some customers resume in beginning of May, other customers remain shutdown through end of May.</li> </ul>	<ul style="list-style-type: none"> <li>•Production has been suspended based on customer's shutdown.</li> <li>•Some customers remain shutdown through beginning or mid May.</li> </ul>	<ul style="list-style-type: none"> <li>•Continuous employment</li> <li>•Stay at home</li> </ul>
Philippines	×	<ul style="list-style-type: none"> <li>•Production has been suspended since end of March.</li> <li>•Shutdown extended through mid May.</li> </ul>	<ul style="list-style-type: none"> <li>•Operation has been suspended based on customers' shutdown.</li> <li>•Limited associates coming to work for overseas shipments.</li> </ul>	<ul style="list-style-type: none"> <li>•Continuous employment</li> <li>•Coming to work is prohibited</li> </ul>
Indonesia	×	<ul style="list-style-type: none"> <li>•Production has been suspended since beginning of April.</li> <li>•Restart planned in June</li> </ul>	<ul style="list-style-type: none"> <li>•Operation has been suspended based on customers' shutdown.</li> </ul>	<ul style="list-style-type: none"> <li>•Continuous employment</li> <li>•Stay at home</li> </ul>

1. Financial Summary
2. Management Strategy
3. Topics



# Business Status - New model startups planned in 2020 -

※Abstract

HONDA

GM

TOYOTA

NISSAN

MITSUBISHI

SUZUKI

## HONDA

1Q

2Q

3Q

4Q

Japan

FREED

FIT series

HONDA e(EV)

North America

RDX, INSIGHT

China

CIVIC

XR-V

ELYSION

XR-V Carry over

CR-V Rebadg

AVANCIER

CRIDER

Asia

Accord

CITY

## General Motors

North America

Cadillac CT5  
GMC

Chevrolet

Buick Excelle  
etc

Cadillac CTS

Buick Excelle  
etc.

Chevrolet  
Cadillac XT6

China

BUICK  
Excelle, etc.

K228  
(K series)

K229  
(K series)

Cadillac  
XT6

BUICK  
Excelle etc.

## OTHER

North America

TOYOTA

China

SILPHY

Asia

L300

ALTO

BREZZA

**North America**

**Japan**

**Asia**



**TOYOTA**  
Chassis Production  
awarded



**TOYOTA**  
Chassis Production  
awarded



**TOYOTA**  
Chassis Production  
awarded

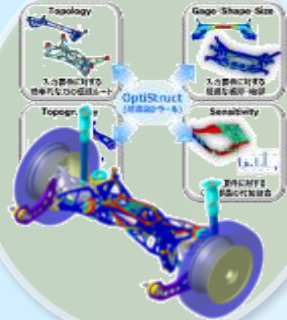


Designing and Development of  
awarded parts are performed by  
**F-tech.**

Underbody parts have been awarded in North America, Japan, and Asia!  
We will reinforce the relationship with Toyota, and strive to expand business opportunities.

< F-tech's unique development technology >

Achieving optimum design by  
integrating existing know-hows and  
simulation technologies



OPTISTRUCT  
(OPTIMAL DESIGN TOOL)  
LINER ANALYSIS

Crush: Abaqus

NV: NASTRAN



Sus Characteristic: ADAM

Improving  
design accuracy

Achieving the design including  
following aspects

- Product performance (strength, rigidity, vibration)
- Production area (Stamp, Weld, Paint)

Further  
weight reduction

Space beam analysis



Balancing strength, rigidity, and  
crash performance with weight  
reduction

Improving  
development speed

- Minimize prototype
- Improve design accuracy



Reducing development period by  
2 months

## Collaboration with material manufacturers

### -Material evolution-

Expanding the grades (Ultra high tensile steel)  
590/780 ⇒ 980/1180

Product specification/shape based on the materials and processes

- Crash performance
- Rigidity (Steering stability/Noise vibration)
- Strength leading to optimum structure
- Processing technology
- Forming method
- CAE/Prediction technology
- Material knowledge
- Evaluation indicator

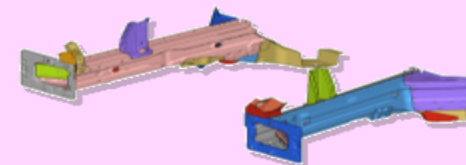
## Body frame parts

### ◆Material

- Steel : Mainly High Tensile Strength Steel (780~980Mpa class)

### ◆Welding

- Mainly Resistance welding (Spot/Projection Weld)



## Collaboration with Body manufactures

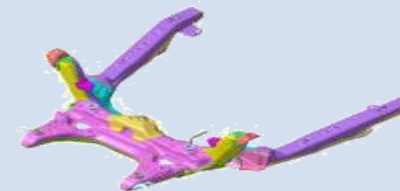
## Chassis Suspension parts

### ◆Material

- Steel :Mainly Thicker Steel (270~590Mpa class)

### ◆Welding

- Mainly MIG welding (With projection welding)



We integrate both companies' Know-Hows, and challenge to provide new value.



## 【Initiative for quality】



Quality, Delivery,  
Environment Awards



F&P Mfg(Dyna-Mig)  
Service parts delivery quality  
Award

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

F.TECH PHILIPPINES  
MANUFACTURING INC.  
Delivery award  
Cost performance award



## 【Initiative for improvements of manufacturing technology】



“Super” monozukuri parts grand prize  
Mobility related parts prize awarded

平成30年度科学技術分野の文部科学大臣表彰  
創意工夫功労者賞 表彰状等伝達式



Awarded by the  
Commendation for Science  
and Technology by the  
Minister of Education,  
Culture, Sports, Science  
and Technology

平成31年度科学技術分野の文部科学大臣表彰  
創意工夫功労者賞 表彰状等伝達式



The Prize for Creativity

平成31年度科学技術分野の文部科学大臣表彰  
創意工夫功労者賞伝達式



## 【Initiative for environments】

Oct 11<sup>th</sup>, 2018: Invited to speak at "Energy Efficiency Nation Partnership (EENP) awards 2018" hosted by Ministry of Environment and Water resources, Singapore



Sai-no-Kuni Saitama Environment grand prix 2020 awarded Business person category "Incentive Award"

"Sai-no-Kuni Saitama Environment grand prix" recognizes outstanding efforts by individuals, prefectural groups, and businesses to cultivate awareness of environmental conservation and promote actions.

令和元年度 彩の国埼玉環境大賞表彰式



## Awarded activities

- F-tech's reforestation-program
- Bizenbori river clean-up activity



## 【Participation of technology exhibitions】

### Automotive Engineering Expo. In Yokoyama

**May 22<sup>nd</sup> to 24<sup>th</sup>**

- Venue : PACIFICO Yokohama
- Detail : Booth exhibit



Interaction with companies in other fields

There is technology F-tech has taken for granted, but it is inimitable unique expertise

Develop into specific business opportunities

### Automotive Engineering Expo. In Nagoya

**July 17<sup>th</sup> to 19<sup>th</sup>**

- Venue : Portmesse Nagoya
- Detail : Booth exhibit



F-tech demonstrates “Processing” and “Die” technologies to gain publicity and boost corporate brand in order to acquire new business opportunities.

## 【Relationship with local society】



Mexico

- Distribute school supplies to children
- Plant trees as part of environmental activities



Kameyama エフテック 亀山事業所



- Received a courtesy visit from Mie prefectural governor.
- Recognized as a “Company who promotes activities to improve work practices in Mie”



Kuki

- Celebrated its 40th anniversary in Kuki

F-tech group is connected with local communities globally and promotes human resource development, forestation, and activities to make social contributions.

## Initiative for human rights

【Opportunities for senior citizens to be active, providing support for nursing care and child rearing】



★★★★★  
We are introduced as a company who promotes activities to improve work practices on Womenomics website in Saitama prefecture.

## Social contribution

【Manufacturing technology education】

- Plant tour for elementary school students
- Work experience for high school students
- Research activities for college students
- Trainings for technical school teachers
- Technology observation groups, etc.

【Scholarship foundation】

- 37 students received F-tech scholarship

【Environmental conservation activities in local society】

- Participate in the activity to create/maintain forests
- Volunteer cleanup activity in community



F-tech group complies with ESG and CSR, and support initiative for human rights and social contributions.

- ✓ Due to the outbreak of the COVID-19 in 2020 January, travel restrictions have been taken place around the world to prevent the spread. In the automobile industry, production has been suspended and there has been a mood for voluntary restraint, which possibly triggers to lower automobile demands. Global F-tech group has been affected, and its production and sales of the products have been suspended.
- ✓ F-tech group is making preparations to resume production and shipments quickly and flexibly when the COVID-19 is settled down and our main customers resume mass production.
- ✓ We have established production structure to promote local production for local consumption in order to reduce costs as well as consolidating partial production to maximize production efficiencies. Based on the impact of the COVID-19, going forward, we will review our production structure including the supply chain to ensure our responsibilities to meet with customers' requirements
- ✓ Amid the COVID-19 crisis, we are implementing new work practices such as remote work program and staggered shift structure. Even after the COVID-19 is settled down, we will continuously work on developing infrastructure for our associates to exercise their maximum abilities by providing various flexible work practices.



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:

**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. 2020 results)~

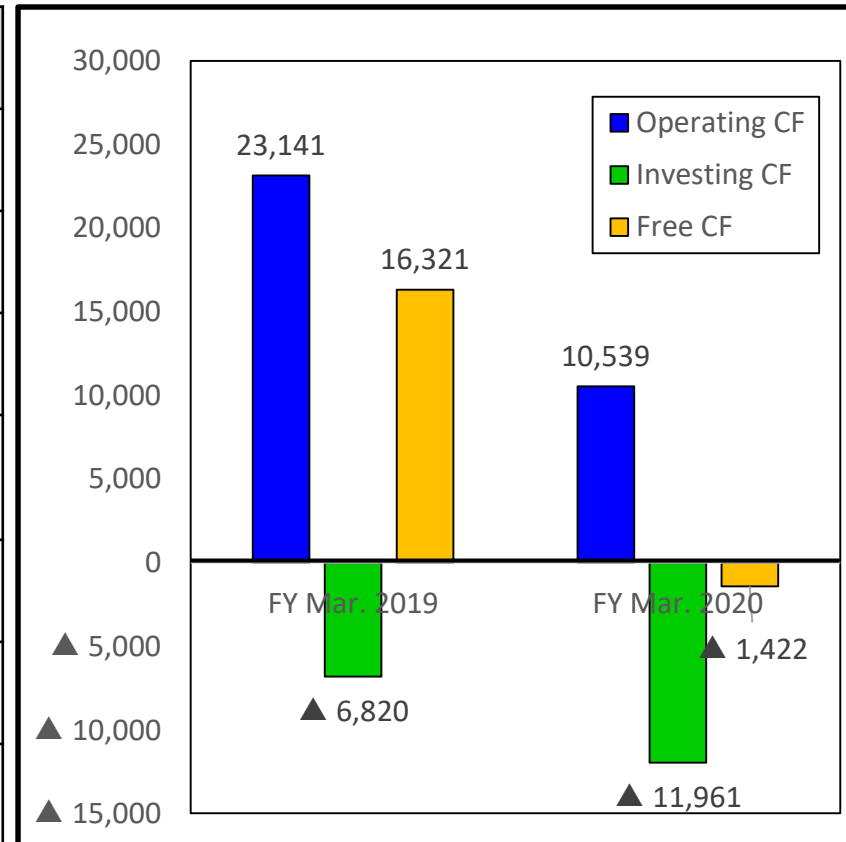


	Mar. 2019 Actual	Mar. 2020 Actual	Changes
Cash and Deposits	7,192	8,879	1,687
Notes and AR	33,667	27,955	▲ 5,712
Inventories	17,728	19,093	1,365
Others	2,866	3,027	161
<b>Current Assets</b>	<b>61,453</b>	<b>58,956</b>	<b>▲ 2,497</b>
Property, plant and equipment	66,392	66,714	322
Intangible assets	343	363	20
Investment and others	8,822	8,004	▲ 818
<b>Non-current Assets *</b>	<b>75,557</b>	<b>75,081</b>	<b>▲ 476</b>
<b>Total Assets *</b>	<b>137,010</b>	<b>134,038</b>	<b>▲ 2,972</b>

Interest-bearing debt	46,219	51,342	5,123
Interest-bearing debt ratio	33.7%	38.3%	4.6%

	Mar. 2019 Actual	Mar. 2020 Actual	Changes
Notes and AP	22,838	17,427	▲ 5,411
Short-term loans	12,650	20,395	7,745
Current portion of Long-term loan	12,660	9,740	▲ 2,920
Others	8,854	7,849	▲ 1,005
<b>Current Liabilities</b>	<b>57,002</b>	<b>55,412</b>	<b>▲ 1,590</b>
Long-term loan	19,728	19,146	▲ 582
Others	3,449	5,187	1,738
<b>Non-current Liabilities</b>	<b>23,177</b>	<b>24,333</b>	<b>1,156</b>
<b>Total Liabilities</b>	<b>80,179</b>	<b>79,745</b>	<b>▲ 435</b>
Total Shareholders' Equity	42,127	41,914	▲ 213
Accumulated Other Comprehensive Income	▲ 282	▲ 1,778	▲ 1,496
Non-controlling Interests	14,985	14,156	▲ 829
<b>Total Net Assets</b>	<b>56,831</b>	<b>54,292</b>	<b>▲ 2,539</b>
<b>Total Liabilities and Net Assets</b>	<b>137,010</b>	<b>134,038</b>	<b>▲ 2,972</b>

	Mar. 2019 Actual	Mar. 2020 Actual	Changes
Cash flows from operating activities	23,141	10,539	▲12,602
Cash flows from investment activities	▲6,820	▲11,961	▲5,141
Cash flows from financial activities	▲6,820	3,345	18,195
Translation adjustments associated with cash and cash equivalents	▲6,820	▲236	▲85
Net change of cash and cash equivalents	1,319	1,688	369
Beginning balance of Cash and cash equivalents	5,871	7,191	1,320
Ending balance of Cash and cash equivalents	7,191	8,879	1,688

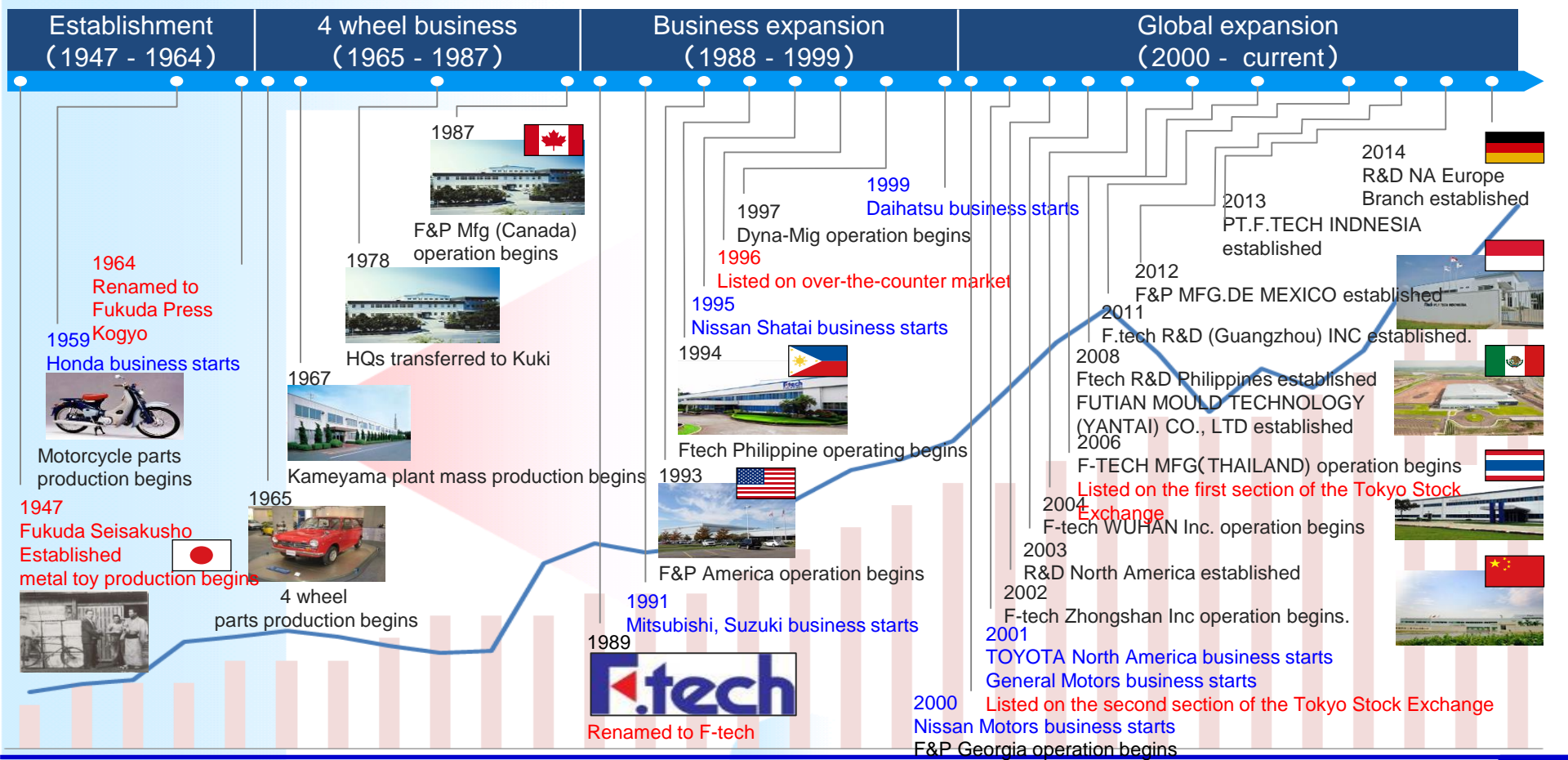


Company Name	F-TECH INC.
Market Segment	The first section of the Tokyo Stock Exchange (7212)
Capital	6.79 Billion JPY
President and CEO	Yuichi Fukuda
Consolidated Sales	218.7 Billion JPY (March 2020)
Number of Employees	Group total 8,754 (F-tech only: 805) ※F-tech only does not include subsidiaries and expats at overseas facilities
Established	July 1st, 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, subframe, axle beam, pedal control, etc.



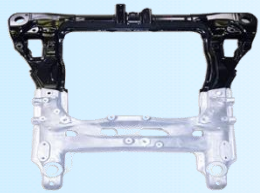
As of March 31, 2020

# Appendix ~F-tech's history~

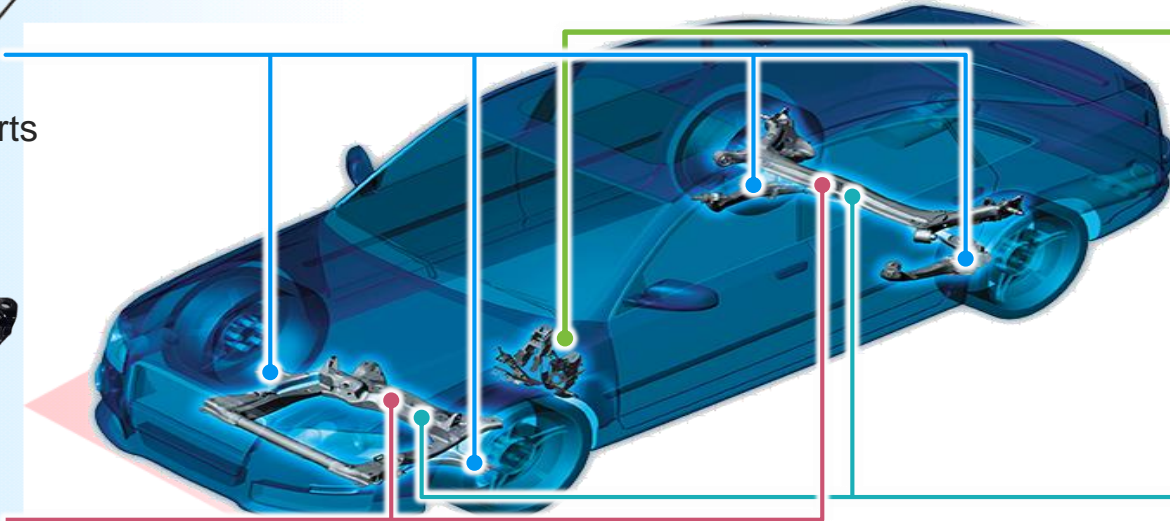




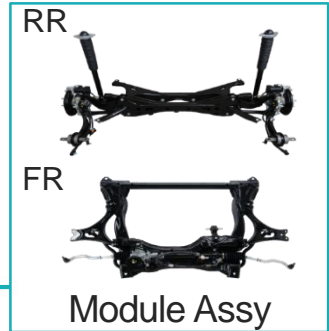
Suspension Parts



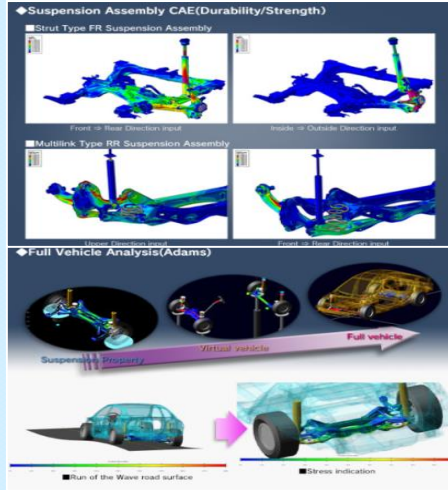
Mounted Components



Control parts



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】

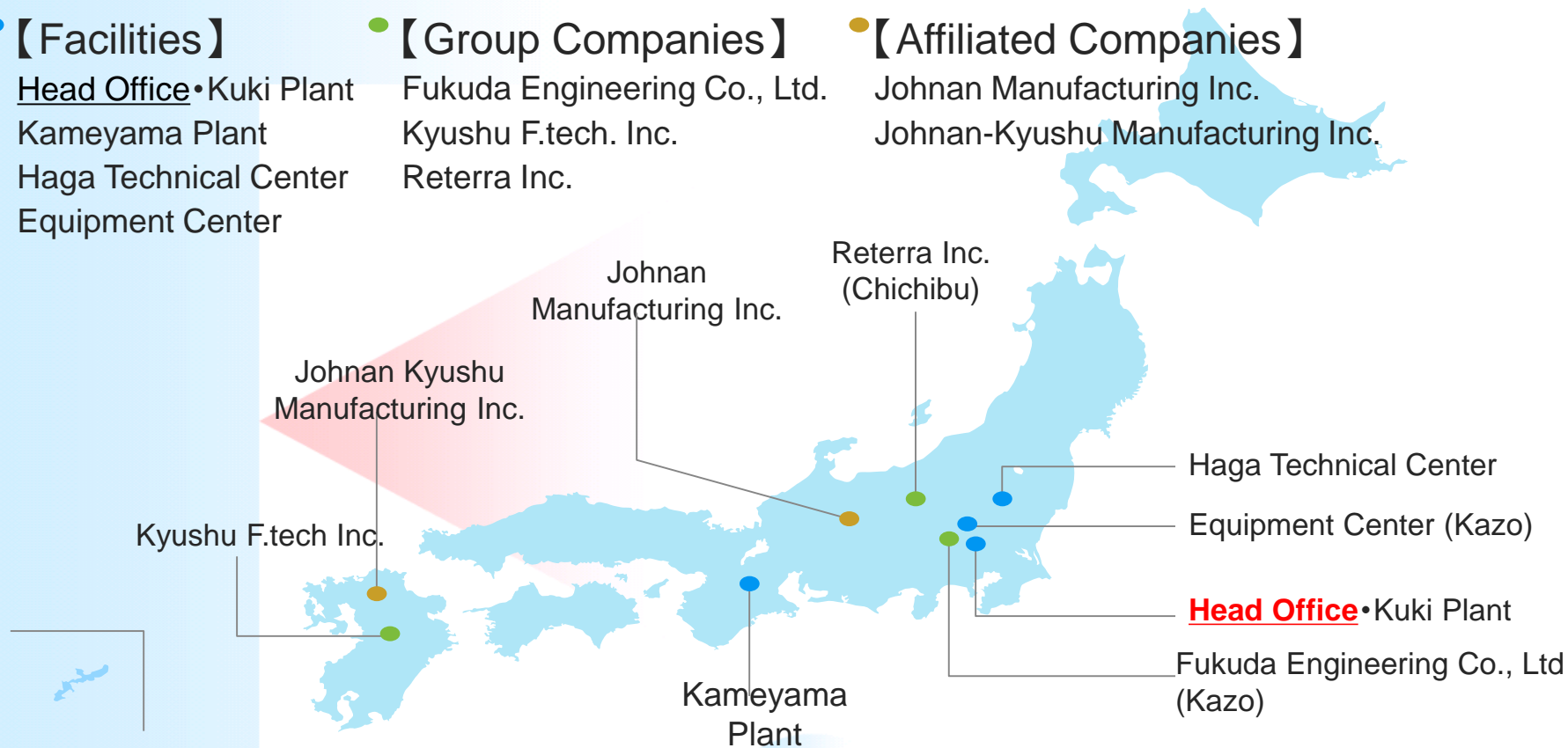
Head Office•Kuki Plant  
Kameyama Plant  
Haga Technical Center  
Equipment Center

## 【Group Companies】

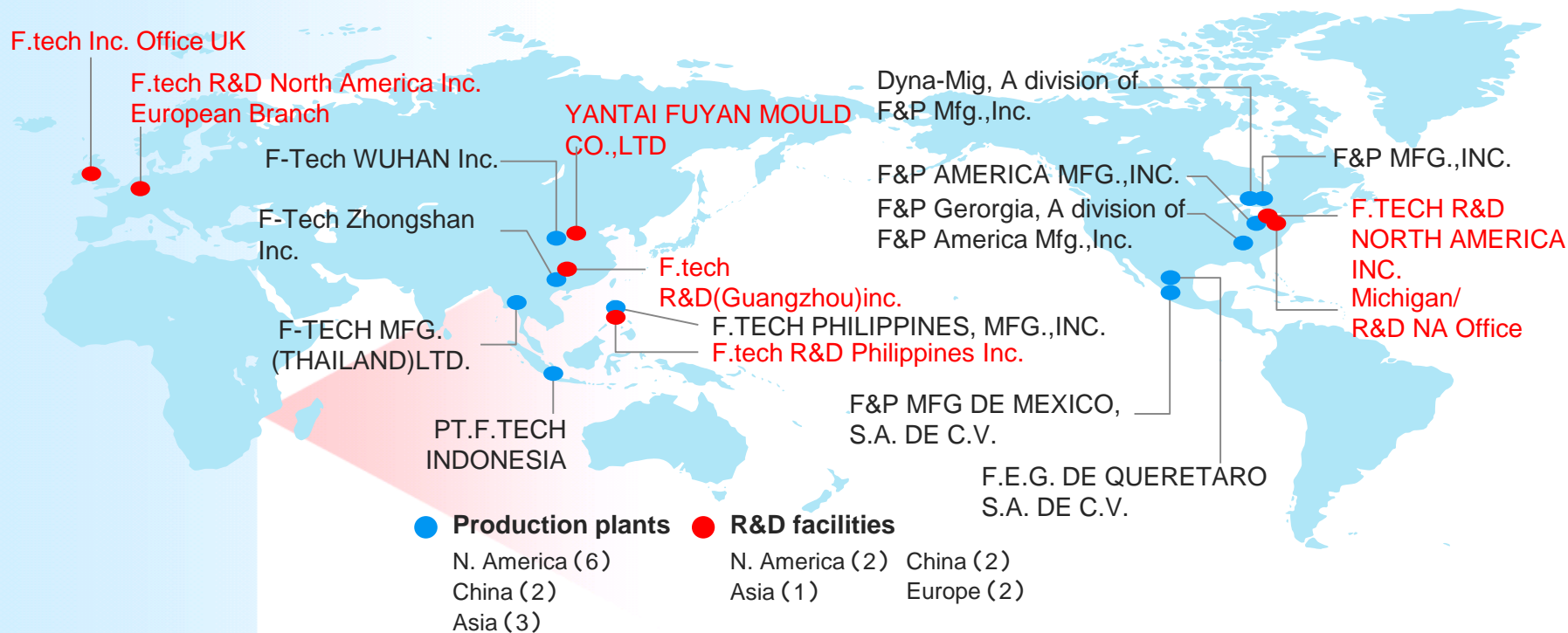
Fukuda Engineering Co., Ltd.  
Kyushu F.tech. Inc.  
Reterra Inc.

## 【Affiliated Companies】

Johnan Manufacturing Inc.  
Johnan-Kyushu Manufacturing Inc.



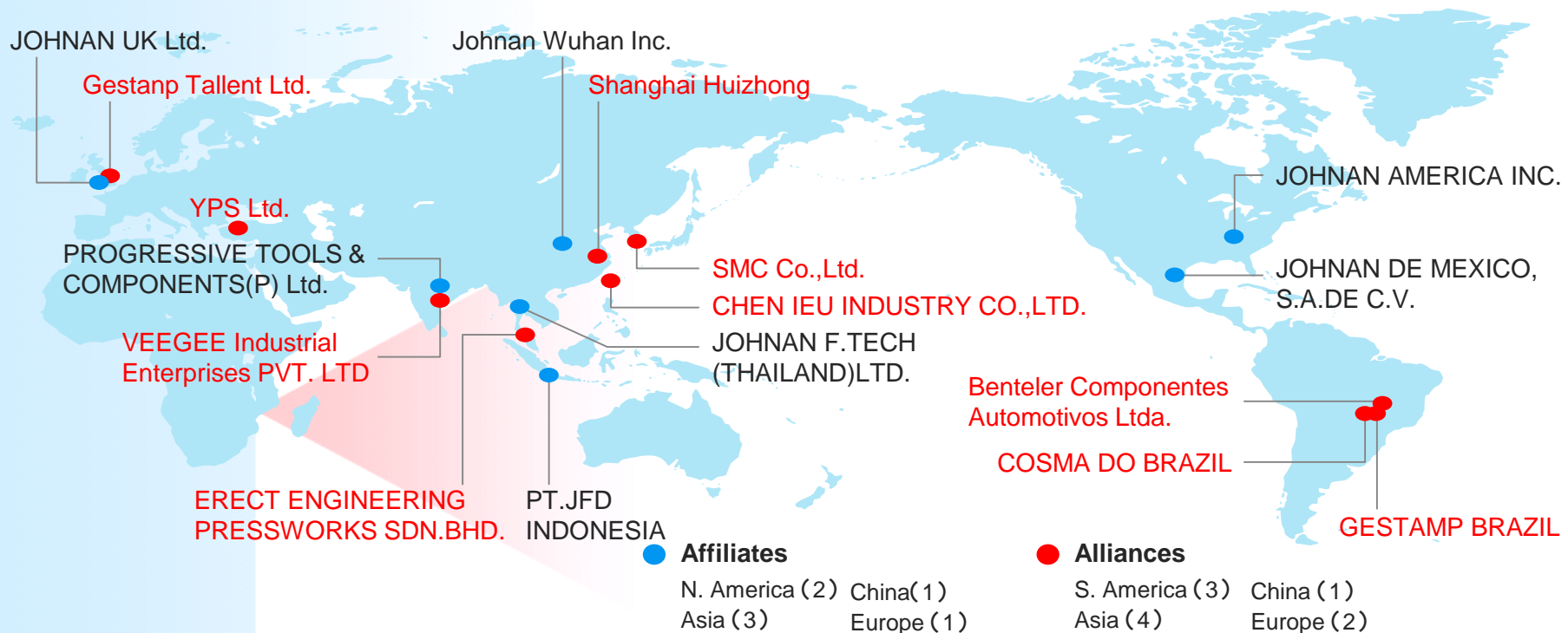
# Appendix ~F-tech group overseas companies~



F-tech has 11 production plants and 7 R&D facilities in 9 countries.



# Appendix ~Affiliates and Alliances~



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