

Introduction

We aim to be the world's leading manufacturer of functional area for vehicle chassis.

By supplying vital components for automobiles, we support both the precise handling of vehicles and the safety of the people who ride in them. Our functional parts for vehicle chassis, which we supply to manufacturers worldwide, play a crucial role in ensuring driving stability and safety performance. In today's world, where demands for sustainability are increasing globally, in addition to emphasizing high-quality and high-performance manufacturing, we create value that supports the future of the environment, human rights, and the economy. With the spirit of challenge since our foundation, the F-TECH Group will fulfill its social responsibilities as a corporate group that contributes to the happiness of all people living on this planet.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance



CONTENTS

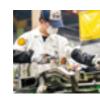
Introduction

- 03 F-TECH Philosophy
- 04 Corporate Slogan
- 05 A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs
- 07 The F-TECH Group's Track Record of Supporting Value Creation
- **08** Overview of the F-TECH Group's Advances Overseas
- 09 The F-TECH Group's Strengths
- 11 Message from the President
 Being "Better than Ever" is our driving
 force as we embrace the challenge
 companywide to be "better than
 yesterday".



Value Creation Story

- 15 The Value Creation Process
- 17 Identification of Materiality and the Sustainability Roadmap
- 18 Materiality Initiatives
- 19 Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)
- 20 Message from the CFO
- 21 Enhance Earning Power—Status of Operations in North America
- 22 Enhance Earning Power—Status of Operations in China
- 23 Enhance Earning Power—Status of Operations in India
- 24 Enhance Earning Power—Maximizing Development Efficiency
- 25 Establish New Technologies
- 26 Pursue Strategic Opportunities to Grow the Business
- 27 F-TECH: The Choice for Performance





Value Creation Strategy

- 29 Human Capital Strategy
- 30 Human Capital Development Initiatives
- 32 Occupational Health and Safety Initiatives
- 33 Creating a Comfortable Working Environment
- 35 Building Work Fulfillment as a Team
- 37 Our Connection to the Local Community
- 38 Global Activities
- 39 Information Disclosure Based on TCFD Recommendations
- 44 Progress toward Our 2030 Global Environmental Targets
- 45 15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status
- 46 FY2025 Environment and Energy Plan
- 47 Material Flow
- 48 FY2024 F-TECH Environmental Accounting
- 49 Aiming to Realize a Sustainable Supply Chain
- 50 Regional Environmental Conference in FY2024
- 51 Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability
- 53 The F-TECH Group's Global Initiatives

Governance

- 58 Corporate Governance Structure
- 60 Sustainability Promotion Structure
- 61 Directors and Auditors
- 64 Messages from Outside Director and Full-Time Auditor

Information and Data

- 65 Progress on Sustainability-Related KPIs
- 66 ESG Datasheet
- 67 Other Data
- 69 Consolidated Balance Sheet and Consolidated Income Statement
- 70 F-TECH Group Global Network



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

Editorial Policy

This report aims to communicate the various initiatives within the F-TECH Group and the value they bring, and to engage in communication with diverse stakeholders. The information presented here has been extracted to highlight the key points, so please refer to the respective pages on our Company website for a more comprehensive overview of our initiatives. In editing this report, we have referenced frameworks such as the "International Integrated Reporting Framework" and the "Guidance for Collaborative Value Creation" provided by Japan's Ministry of Economy, Trade and Industry.

Disclosure System



Reporting Period

Period: FY2024 (April 1, 2024 to March 31, 2025)

Note: The report also includes information about some activities that take place during or after April 2025.

Organizations: F-TECH INC. and its consolidated subsidiaries

Accounting standards: The Group prepares its financial statements according to generally accepted accounting standards in Japan.

Notes

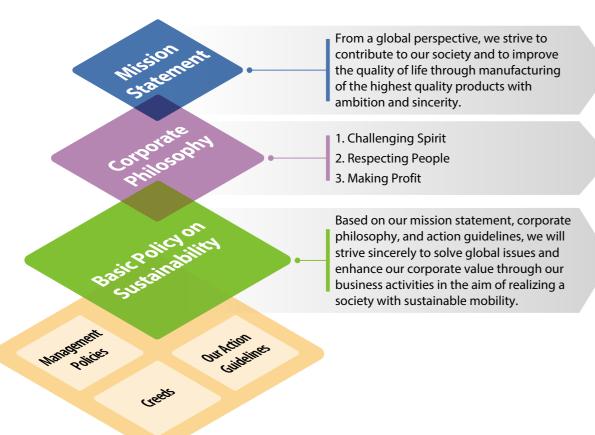
In preparing this report, we referred to the GRI Standards as the basis for our identification of materiality and considered the TCFD recommendations for ISO 26000 and other relevant guidelines. In this report, the F-TECH Group is also referred to as "the Group," and F-TECH INC. may be referred to simply as "F-TECH" or "the Company."



F-TECH Philosophy

The "F-TECH Philosophy" refers to the Mission Statement, Corporate Philosophy, and Basic Policy on Sustainability that form the foundation of the F-TECH family's approach, actions, and decision-making.

F-TECH Philosophy



Our Action Guidelines

Compliance with laws and ordinances

We always give top priority to ethically appropriate conduct in all our activities. We always comply with laws and ordinances and act with a good social conscience as a good member of society in keeping with being a company with a high commitment to legal compliance. If we discover any violation or possible violation of any laws, ordinances or company rules, we will report the matter, make suggestions, and consult with our direct supervisor or the Corporate Ethics Kaizen Desk.

Respect for human rights

We respect all individual and human rights. We do not tolerate any child labor, forced labor, discrimination or any type of harassment that violates human rights.

• Labor and Safety & Health

We will establish a safe and secure working environment for all our employees, and maintain a pleasant and safe working environment.

Quality

We strictly follow the highest standards and procedures giving top priority to provide products and services with safety to meet customer's expectations.

Compliance with company rules

We create our company's internal rules and regulations based on rational reasoning and relevant objectives to create a fair and equal working environment and we commit to communicating with our employees effectively.

Traffic safety

As a member of the automotive components manufactures, we always observe traffic safety laws, rules and regulations, being a good citizen on the road by giving way to others on the road.

Environmental protection

We will endeavor to protect the environment, with the belief that the Earth belongs to all humankind. We always consider minimizing the impact on nature and optimize energy resource utilization in production.

Increasing corporate value

We believe the purpose of a company as a going concern is the creation of value. We will always strive to maximize socially accepted corporate values by bringing profit long-term for our shareholders and society.

Disclosure and management of information

We strictly distinguish and manage information from personal, company confidential, and to be disclosed appropriately. However, we strive to publicly make available any required information in accordance with respective laws and corporate regulations appropriately and in a timely manner.

Fair transactions

We always ensure business is conducted in a free, equal and fair manner with transparency, and will not engage or agree with any irrational, corrupt business practices. We will not allow giving and receiving of any benefit or convenience beyond reasonable and legal limits socially acceptable, and we will not maintain any unfair relationship with political parties or government authorities. We will never permit or tolerate any relationship or connection with any anti-social organizations or behaviors which may threaten the safety and well-being of our society.

Community involvement

Being a member of the local community, we support the creation of an equal, wealthy and well-being of our society through participation in local community development, promotion of cultural, educational, and the improvement of the welfare of the local society.

INDEX

Introduction

> F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance



Corporate Slogan



Our Best and Strongest Performance

Better than Ever

The F-TECH Group is

dedicated to pursuing the highest level of performance and surpassing our past achievements,

as represented by our corporate slogan "Better than Ever."

This slogan embodies the founder's motto of "nisshin mukyo" (constantly pursuing new frontiers) and expresses our shared spirit of endless challenge with our global partners as we pursue new possibilities together.

INDEX

Introduction

F-TECH Philosophy

> Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance



INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

> A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances

The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance

Information and Data

We aim to be the world's leading manufacturer of functional area for vehicle chassis

F-TECH PRODUCTS



Initiatives to Realize Low-Carbon Manufacturing Technologies F-TECH promotes the development of environmentally conscious products

and technologies under the policy: "Together with society and our customers, we aim to realize a decarbonized society through our contribution to mobility." Leveraging expertise gained from developing ICE, PHEV, FCV, and BEV components, we work to reduce environmental impact during driving through further weight reduction and advance low-carbon manufacturing by optimizing specifications and process design. Using our integrated production system from development to mass production, we apply life cycle assessment (LCA) from the initial development step to identify low-CO₂ specifications and strengthen value proposals aligned with customer needs.

For new components, we prioritize weight reduction, targeting at least a 5% improvement over previous models and systematically introducing CO₂reduction technologies in manufacturing. In production, we install large, high-efficiency equipment, reinforce energy savings, expand renewable energy use, and promote energy visualization through product LCA to minimize CO₂ emissions. Through these efforts, we aim to achieve carbon neutrality by 2050.

Design Technologies

We utilize our proprietary analysis technology to conduct development based on product performance predictions, such as suspension during driving.



Processing Technologies

We have developed unique technologies such as hydroforming, friction stir welding (FSW), and FUT-1 (a type of ultraprecise forming).









A Specialized Manufacturer of Functional Area

We manufacture automotive components that have an important impact on safety, such as

require, our components simultaneously offer strength, durability, and weight reduction.

suspension arms, subframes and pedals, utilizing sophisticated design capabilities and a unique

integrated processing system. In addition to ensuring the high-quality automobile manufacturers



The F-TECH Group's Track Record of Supporting Value Creation

1994

1997

From 1947 Fukuda Seisakusho founded in Soka City, Saitama Prefecture, and began manufacturing metal toys and other products.

Fukuda Seisakusho YK established. 1959 Began manufacturing motorcycle parts for Honda

Founding Period

F-TECH Group history



Company name changed to Fukuda Press Kogyo Co.



Super Cub fork top bridge



S600 series engine mount bracket / engine mount beam 1966 CB72 muffler



Founding Period of Automobile Business From 1967

Kameyama Plant established in Kameyama Mie Prefecture.



Head office and plant (now Kuki Plant) moved within Saitama Prefecture, from Soka to Kuki.



F&P Mfg., Inc. was established in Ontario, Canada, as the Group's first overseas base.

N360 series: Pedal bracket, inside seal, rear lower skirt, carrier pan, front grille, etc.



TN Truck: Gear case, tailgate skin Civic: Front beam, pedal bracket



Accord: Began production of engine mount bean

Prelude: Began production of Pedal Assy 1982 TN 4WD: Began production of rear subframe

City: Received award for pedal assist device Accord: Began production of stamped

Period of Diversification of Clients and **Business Areas From 1988**

Company name changed to F-TECH INC.

Kyusyu F.tech Inc. was established.

Started business with Nissan Shatai Co. Ltd.

Started business with Isuzu Motors Limited

Started business with Daihatsu Motor Co., Ltd.

NSX: began production of aluminum parts Legend: began production of foot-operated parking

Shifted front lower arms from

Shortened development lead

Began mass production of

aluminum pedals

forged to pressed construction

was established in Ontario, Canada.

The current DYNA-MIG, A Division of F&P Mfg., Inc.,

Philippines.

rear trailing

brakes

1991

1999

Established the Kameyama No. 2 Plant in Kameyama

Started business with Mitsubishi Motors Corporation.

F&P America Mfg., Inc. was established in Ohio, U.S.A.

F.TECH PHILIPPINES, MFG., INC. established in Laguna,

Period of Global Expansion 2000 to 2025

Began business with Nissan Motor Co., Ltd. The current F&P Georgia, A division of F&P America Mfg. was established. Began business with Toyota Motor Manufacturing North America, Inc. Began business with Suzuki Motor Corporation F.E.G.DE QUERETARO S.A. DE C.V. was established in Ouerétaro, Mexico, F-TECH Zhongshan Inc. was established in Guangdong Province, China. ETECH R&D NORTH AMERICA INC. was established in Ohio, United States.

F-TECH Wuhan Inc. was established in Hubei Province, China. F-TECH MFG. (THAILAND) LTD. was

established in Ayutthaya Province, Thailand. Reterra Co. Ltd. was acquired as a subsidiary The current YANTAI FUYAN MOULD CO., LTD. was established.

F.tech R&D Philippines Inc. was established. F-TECH R&D (Guangzhou) INC. was established in Guangdong Province, China. 2012 F&P MFG DE MEXICO S.A. DE CV. was

PT.F.TECH INDNESIA was established in Karawang, Indonesia. Michigan/R&D NA Office was established in the United States. F-TECH Automotive Components Private Limited was established in Haryana, India. Established as a Toyota Motor Corporation parts supplier and started business

established in Guanajuato, Mexico.

Acquired India Steel Summit Private Limited as a subsidiary.



2023 Established F-TECH NORTH AMERICA INC.

Introduced new lightweight technologies Civic: began production of Adopted hydroforming technology Applied the burring forming process to

2001

Developed aluminum welding technology ahead of the global industry Legend: established mass-production system for world's only hot bulge forming



FCX Clarity: manufactured aluminum subframes using 3D-FSW

Made advances in FSW development, a hybrid joining technology for continuous ioining of



Began operation of FUT-1 ultra-precision plastic forming machine

FY2024 Consolidated net sales reached

The F-TECH

Group's

Creation

Value

2020 Non-consolidated net sales reached

2010 Non-consolidated net sales reached ¥218.7 billion

¥122.0 billion

2000~2025

Introduction F-TECH Philosophy

INDEX

Corporate Slogan

A Specialized Manufacturer of Functional area for

> The F-TECH Group's Track Record of **Supporting Value Creation**

Vehicle Chassis Responding to the Shift to EVs

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance

Information and Data

1989 Non-consolidated net sales reached

¥17.4billion

sales reached

1964 Non-consolidated net ¥200 million

1999 Non-consolidated net

¥71.2 hillion

08

Overview of the F-TECH Group's Advances Overseas

An overview of Overs

China

Sales ¥26.1 billion

1,256

F-TECH Gro

Asia

1,825

Japan Sales 1,346

North America

¥226.2 billion

Employees 5,127

Through innovation and a commitment to taking on new challenges, F-TECH Group is expanding globally and advancing technological excellence to achieve sustainable growth

Net Sales



Operating Profit

¥5.5 billion +47.8%(from 2024) **Ordinary Profit**



Loss Attributable to Owners of Parent



Operating Cash Flow



ROE

EPS



Dividend



INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

> Overview of the F-TECH Group's Advances

The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance



The F-TECH Group's Strengths

The F-TECH Group aims to become the world's leading specialist manufacturer of functional area for vehicle chassis. Our strengths lie in reliable product development capability, production technologies honed on the factory floor, international competitiveness, agile customer responsiveness, and the human strengths that support them. Building on these core strengths, we will continue to provide safe, environmentally conscious products and earn the trust of customers worldwide.

Product Development Capabilities

The F-TECH Group's product development capabilities lie in providing optimal design proposals tailored to customer needs. By leveraging our R&D base and combining foundational and manufacturing technologies, we strive to achieve a balance among performance, quality, cost, and productivity. In particular, we thoroughly consider weight-reduction solutions to improve fuel efficiency and reduce cost, and proceed with mass production after prototyping and durability testing. Our close collaboration with customers and a high degree of customization are the sources of our competitive advantage and earnings.







International Competitiveness

The F-TECH Group has established strong relationships with key clients and expanded its manufacturing and sales bases globally. This allows us to respond quickly to the needs of each region and accommodate design changes. With this strategy, we have strengthened trust, secured orders, and ensured profitability. Moving forward, we will continue to provide high-quality products and services as well as aiming for further growth.









INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

> The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance



Production Technology Capabilities

As a specialized manufacturer in the field of automotive and motorcycle suspension systems, the F-TECH Group has established a comprehensive system from product design to quality assurance, accumulating unique technological expertise. We work closely with vehicle manufacturers, introducing hydroforming and friction stir welding technologies to address environmental concerns and diverse market needs, thus serving as a significant source of revenue. Our long-term vision is to become the world's leading manufacturer of functional area for vehicle chassis. We strive to enhance customer satisfaction, create new market opportunities, pursue the development of new technologies, and market expansion. We are leveraging our production technology capabilities to contribute to the realization of a sustainable society.







Ability to Respond to Customers Needs

The F-TECH Group has a system in place to seamlessly respond to the needs of its customers. This system includes designing proposals tailored to automobile manufacturers and supporting for mass production. Our ability to meet customer needs consistently has been a key strength in building trust-based relationships. In particular, our long-standing track record of high-quality business with established automobile manufacturer groups has led to new orders from other manufacturers. This ability to respond to customer requirements is an important element in the value creation of F-TECH Group.









INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

> The F-TECH Group's Strengths

Message from the President

Value Creation Story

Value Creation Strategy

Governance





INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

> Message from the President

Value Creation Story

Value Creation Strategy

Governance



Results of the 15th Mid-Term Business Plan and Initiatives to Strengthen Our Organization

Looking back on the fiscal year ended March 31, 2025, the final year of the 15th Mid-Term Business Plan, we achieved sales and profit increases thanks to the efforts of all employees. Our initiatives aimed at enhancing earning power have begun to deliver tangible results.

In particular, in the previous fiscal year we advanced with an aggressive stance, driving both cost-reduction activities and sales price renegotiations in tandem. In the current fiscal year, we will continue these efforts to further strengthen our earning power.

In the North American market, workplaces have united under our core principle of "making profit," and we are now seeing steady moves to improve profitability.

From this fiscal year, we have also taken steps to strengthen our global organizational structure. We reinstated regional executive officers in North America and in the China / Asia–Pacific region to enable decision-making that is closer to each market, and we appointed an executive officer responsible for India, a key growth market.

These structural changes are designed to both address immediate challenges and execute growth strategies for the future. Key objectives of the new structure include accurately understanding market needs and customer expectations in each region, accelerating

decision-making and responsiveness, and clarifying profit responsibility by segment.

Overseas Strategies Tailored to Market Characteristics and Regional Strategy Meetings

In key regions such as North America, China, and India, market maturity and competitive landscapes differ significantly. Accordingly, we develop region-specific strategies to address each market's characteristics.

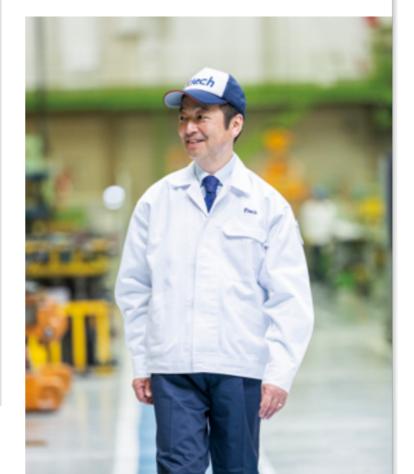
North America is a mature market, yet automobile demand remains steady. We continue to maintain and expand transactions with existing customers while actively entering previously untapped areas, such as products for pickup trucks.

In China, domestic automakers are emerging, and the market is home to numerous automotive companies. Also, the EV sector is experiencing particularly rapid growth. We view these changes positively and are proactively working to acquire new customers.

China remains the world's largest automotive market, and regardless of market changes, it remains a core region for our global business. We aim to strengthen our development speed and price competitiveness while building new relationships with Chinese automakers to capture growth opportunities.

The Indian market is now the fourth largest in the world and is expected to become third after

China and the United States, representing significant potential. However, because business practices and the operating environment are unique, it is crucial to learn and adapt rather than expand hastily. In April 2025, we launched the F-TECH India Strategy Project within the Corporate Planning Office. Local representatives and headquarters members regularly collaborate to steadily build a foundation for market



INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

> Message from the President

Value Creation Story

Value Creation Strategy

Governance



adaptation and business expansion.

As an organizational foundation supporting this global expansion, we have held "Issue Resolution Councils" in each region since the previous fiscal year. In particular, locations in China, the Philippines, the United States, and Canada have worked closely with our Japan-side teams to tackle immediate challenges and promote on-site improvement activities. Starting this fiscal year, we have evolved these councils into regional strategy meetings, a forum for discussing how to pursue growth based on each region's unique market and environment, with an eye toward designing strategies for the upcoming 16th Mid-Term Business Plan.

Sustainability Management and New Challenges

As social interest in sustainability continues to rise, we are strongly aware of our responsibilities as a corporation, and are advancing proactive initiatives accordingly. Our efforts go beyond mere environmental measures, driven by the belief that addressing social issues sincerely leads to sustainable corporate growth.

One such effort is the launch of new businesses, including those related to reused batteries. We are reexamining how we can best contribute to society and view it as our responsibility and mission as a member of the automotive industry to make a meaningful contribution to the circular economy and

decarbonization.

As an example of our sustainability achievements, we received a bronze medal in the sustainability rating by EcoVadis, reflecting the recognition of our ongoing efforts. In addition, under the FY2024 Business Operator Classification Evaluation System (SABC Evaluation System), we were rated an Excellent Energy-Saving Business Operator (Class S) for our superior energy-saving initiatives.

Within our mid-term business plan, sustainability is clearly positioned as a new challenge area. We will continue to set forth concrete measures across the entire Group and address this critical area with firm commitment.

Companywide Well-Being Initiatives

Last fiscal year, we closed down the Women's Working Team (WWT), which had focused on promoting the advancement of women, and this year we relaunched it as WWT II (second). While the active participation of women remains an important element of diversity, we are now expanding the initiative with a Companywide, cross-organizational perspective to include all employees regardless of gender, nationality, or age. Established under the Sustainability Promotion Department, the new team will continue to focus on enhancing well-being so that every employee can truly feel "I'm glad to be part of this company" and pursue their own

dreams and aspirations. We believe this approach creates a positive cycle that strengthens the organization as a whole, and we are advancing specific initiatives to achieve it.

Professionalism and Ownership

As a manufacturing company, it is essential that each individual take pride and responsibility as a professional. Whether in direct or indirect roles, everyone is encouraged to stay conscious of their involvement in manufacturing, pursue personal growth, and aim higher.

Another core value we emphasize is ownership. By approaching one's responsibilities with a strong sense of accountability and acting proactively, employees not only find greater meaning in their work but also experience personal fulfillment. This fiscal year, we are working to embed the principles of professionalism and ownership throughout the organization.

Developing Human Capital to Support Sustainable Growth

Strengthening human capital development is essential to sustaining our long-term growth. To emphasize the importance of the Human Resources Department as the driver of these efforts and to enhance its capabilities, we established the Human Capital Development

INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances
Overseas

The F-TECH Group's Strengths

> Message from the President

Value Creation Story

Value Creation Strategy

Governance



Section within HR this fiscal year, integrating processes from recruitment through development. This section is tasked with revisiting and restructuring our education framework and training programs, as well as exploring new approaches to recruitment and development in line with changes in society and our business environment. Going forward, the Human Capital Development Section will lead the creation of a systematic and effective framework to support employee growth across the Group.

Becoming a Trusted Partner to Customers Worldwide

Our goal is to become a specialist manufacturer in the chassis function domain that customers worldwide can rely on with confidence — the kind of company about which people say, "With F-TECH, we know we're in good hands." While numerical indicators such as market share and sales remain important, we place even greater value on the comprehensive capabilities that make customers choose us: the ability to propose solutions aligned with their needs, solve challenges, execute projects effectively, and reliably manage mass production with a strong focus on safety, quality, delivery, and continuous improvement.

This commitment is embodied in our corporate slogan, "Better than Ever." The spirit of always surpassing who we were yesterday —

striving today to be better than the day before and aiming for an even better tomorrow — echoes the founding motto of *nisshin mukyo* (constantly pursuing new frontiers)." We believe that sharing this spirit with colleagues worldwide and embracing daily challenges is what drives us to reach greater heights.

Equally important is being a company that local communities are glad to have. True

sustainable growth depends on both employee well-being and the trust of local communities. Across our regions, we continue community-focused social contribution activities such as donations to schools, hosting factory tours, and organizing cleanup efforts. Through these initiatives, we strengthen bonds with local communities and fulfill our responsibilities as a member of society.

Facing Social Issues With Unwavering Commitment to Growth



INDEX

Introduction

F-TECH Philosophy

Corporate Slogan

A Specialized Manufacturer of Functional area for Vehicle Chassis Responding to the Shift to EVs

The F-TECH Group's Track Record of Supporting Value Creation

Overview of the F-TECH Group's Advances Overseas

The F-TECH Group's Strengths

> Message from the President

Value Creation Story

Value Creation Strategy

Governance





Materiality initiatives, resolving global issues

INDEX

Introduction

Value Creation Story

> The Value Creation Process

Identification of Materiality and the

Sustainability Roadmap Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023-FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations

Enhance Earning Power—Status of Operations

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the

F-TECH: The Choice for Performance

Value Creation Strategy

Governance

Sustainability Roadmap

Based on our mission statement, corporate philosophy, and action guidelines, we will strive sincerely to solve global issues and enhance our corporate value through our business activities in the aim of realizing a society with sustainable mobility.

Recognition of issues | Establishment of systems

Understand

Create an Internal Promotion Structure

Build a New System

- Establish the Sustainability Promotion Department
- Launch the Sustainability Committee
- Step up initiatives to promote an understanding of sustainability

Establish Policies and Issues

- Identify issues through the use of external evaluations
- Identify materiality items and formulate basic policies
- Implement sustainability training

Annual Securities Report ▶ Response to new disclosure items 2024

System development | Practice |

Put into Practice

Establish a PDCA Cycle

Continue to Operate

- Improve issues by utilizing the results of external evaluations
- Establish and review of policies in each area
- Establish a sustainable supply chain

Make Value Creation Visible

- Establish a value-creation process
- Publish an integrated report
- Consider KPIs for sustainability
- Prepare to formulate a purpose

Practice Disclosure Dialogue

Entrench

Report and Communicate

Ensure Transparency and Mutual Understanding

- Integrate important themes into management and reflect them in the mid-term business plan
- Ensure management soundness and maximize value
- Conduct disclosure in line with stakeholder needs
- Engage in effective dialogue with investors

Enhance Sustainability Management

- Formulate a medium-term vision
- Strengthen environmental, social, and economic sustainability initiatives

Sustainability Standards Board of Japan (SSBJ) ► Consider legal disclosure initiatives

Practice Disclosure Dialogue

Continue to Promote

Sustained Growth

Co-create with Stakeholders

- Formulate the Company's purpose (targeting 2050)
- Develop through disclosure and dialogue
- Pursue new business

Realize a Society with Sustainable **Mobility**















INDEX

Introduction

> Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023-FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations

Enhance Earning Power—Status of Operations

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

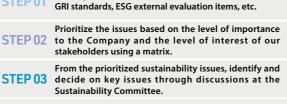
Value Creation Strategy

Governance

Information and Data

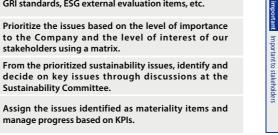
Materiality

Taking into account the concerns of stakeholders and the degree of importance to the Company, the F-TECH Group has identified materiality drivers and established KPIs to enhance corporate value and contribute to the creation of a sustainable society. We have determined these materiality drivers through internal discussions and deliberations.



manage progress based on KPIs.

Identify our stakeholders and social issues based on









18

Materiality Initiatives

The F-TECH Group has identified seven materiality drivers that prioritize relationships with stakeholders, aim to build a sustainable society, and enhance corporate value. We have established KPIs for these areas until 2030. In this way, the Company will strengthen its response to ESG and promote sustainable management.

	Materiality Items	Our Aims	The Company's Main Initiatives	KPI (2030)	Relation to the SDGs
Environment	Response to carbon neutrality	Establish a low-carbon and highly efficient production system and develop	 Design and develop items, such as EV products, that meet customer needs Reduce environmentally hazardous substances 	 Achieve Scope 1 and 2 carbon neutrality in manufacturing area by 2035 	7 1867-18602 1629-302
	Development of environmentally friendly products	environmentally friendly products	Evaluate products using LCAImplement third-party verificationExpand the use of renewable energy	 Achieve carbon neutrality throughout the supply chain by 2050 	13 MARKETT
Social	Respect for human rights	Further strengthen our business foundation,	 Foster a corporate culture that respects diversity Strengthen and enhance employee engagement 	■ Human rights training — 100% employee participation	
	Safe and hygienic working environment	ensure a comfortable working environment for our employees, and	Continue to comply with occupational safety laws and regulations	■ No lost time injuries — 0 cases	3 ******
	Provision of high-quality products	provide a secure and safe future for all	Augment customer satisfaction	■ Major quality defects — 0 cases	
Governance	Compliance	Expand the corporate infrastructure to enhance	■ Expand compliance training	■ Compliance training — 100% employee participation ■ Violation of laws and regulations — 0 cases	9 ####################################
	Fair trade	corporate value over the medium to long term	■ Enhance CSR verification sheets ■ Expand supply chain management	■ Supplier CSR verification sheet — 100% deployment	

Progress on sustainability-related KPIs and non-financial data is presented on pages 65–66.

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

> Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



19

15th Mid-Term Business Plan (FY2023–FY2025) Overview

Growth



Contribute to society by improving earning power and achieving sustainable growth.

Challenge for New

Pursue Strategic Opportunities to Grow the Business

- Expand added value through strategic sales activities
- Expand EV commercial rights
- Maximize development efficiency
- Establish new technologies

Earn

Back to Basics

Enhance Earning Power

- Deploy F-TECH integrated support at problem sites
- Improve profitability by strengthening competitive advantage
- Improve employee engagement
- Nurturing human resources who can play an active role in the F-TECH family

Build Sustainability Management

- Strengthen ESG management initiatives
- Promote carbon neutrality
- Enhance reputation among stakeholders

Reduce borrowings

Build a Sounder Financial Structure

- Produce results from investments under the 14th Mid-Term Business Plan
- Curtail investment
- Reinforce the system for monitoring income and expenditures

16th Mid-Term Business Plan (FY26-FY28)

Target
Operating margin of 5%

Invest in growth

Pursue the essence of manufacturing

Earning power

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



Message from the CFO

Building Capital-Efficient Management Through Stronger Earnings and Financial Foundations to Drive Corporate Value

Kei Wakabayashi

Director & Senior Operating Officer
Division Manager, Management Planning Division



The key is to balance profit recovery in the United States and China with financial improvement.

In the previous fiscal year, operating profit increased significantly to ¥5.4 billion (up ¥1.7 billion year on year), yet we posted a net loss of ¥6.9 billion. The primary cause was a sharp production decline in the Chinese market. In China and Southeast Asia, Chinese EV manufacturers continued to grow, while Japanese, European, and U.S. automakers experienced weak sales, directly impacting us.

This fiscal year, we aim for a substantial recovery in both operating profit and net income, with the U.S. and China being the key drivers. In North America, we have continued to improve production efficiency at our U.S. plants, historically a challenge, while negotiating sales price revisions with customers to offset increased costs. In China, we carried out structural reforms, including optimizing staffing levels and recognizing impairment losses on fixed assets to address production cuts by major customers. Moving forward, we will continue to improve earning power, adapting flexibly to change while strengthening our management foundation.

As a supplier of chassis components, we operate across

multiple regions such as North America and Asia, and we face various management challenges—from location-specific issues to global strategies affected by economic policies. All key management issues are shared with the Board of Directors, and we work collectively to resolve them. Last fiscal year, using the ¥14.7 billion generated in operating cash flow, we reduced interest-bearing debt by approximately ¥3.5 billion while restraining excessive investment. This fiscal year, we plan to cut interest-bearing debt by an additional ¥5 billion, further strengthening our financial base. Even in an uncertain business environment, we will appropriately grasp changes in economic trends and environmental regulations, minimize financial risk, and improve both funding stability and capital efficiency.

Advancing the Mid-Term Plan to Transform Manufacturing Through Enhance Earning Power and Sustainable Growth

This fiscal year marks the final year of the 15th Mid-Term Business Plan. Under the Companywide policy of "enhance earning power," we are taking decisive steps to restructure underperforming sites in the U.S. and China and review the organization of functional headquarters to reduce indirect costs. At the same time, we are advancing manufacturing efficiency improvements at each site and pursuing new business opportunities that leverage our strengths to reinforce profitability and achieve the planned targets.

In the area of "sustainable growth," we launched the F-TECH India Strategy Project this fiscal year, beginning our approach to business expansion in India. In terms of human capital enhancement, we are strengthening our Human Capital Development Department. Through cultivating talent that embodies both 'Professionalism' and 'Ownership', we are working to improve engagement and advance diversity.

Looking ahead to the next mid-term business plan, we plan to disclose our cost of capital levels and targets. Based on our future vision, we will identify current challenges and their solutions, and disclose as concretely as possible the specific means and measures by which we will enhance corporate value. We also intend to examine thoroughly how future cash generation should be allocated to strengthen our financial foundation, growth investments, and shareholder returns. As CFO, I am fully committed to driving medium- to long-term enhancement of corporate value."

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

> Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



Enhance Earning Power—Status of Operations in North America

We will create results that directly strengthen global earning power by enhancing customer value through the combined strengths of technology, quality, and cost competitiveness.

FY2024 Results

- Built a turnaround execution structure
- Engaged consultants support
- Conducted sales price renegotiations with key customers
- •Implemented production improvement initiatives

Full-Year Operating Profit Margin

3.6%

FY2025

Start adding DX to production improvement initiatives to fully restore profitability and capture future business growth opportunities.



Respond appropriately to changes in the business Key Point environment (e.g., Trump administration policies, EV market volatility)

Full-Year Operating Profit Margin

An Example of DX: Visualizing Welding Line Efficiency

Accelerating Efficiency Improvements Through an In-House Welding Line Operating Rate Visualization System



Winning Future Business Through Proposals for High-Value-Added Products

Hajime Fujitaki

Director & Senior Managing (Global Chief SED Officer and Regional CEO of North America)



North America, which accounts for about 70% of consolidated net sales, is F-TECH's our most critical segment and a key driver of the Group's future growth. It has our largest production scale and supplies chassis and suspension components for all vehicle types—ICE, HEV, and EV— to a broad range of Japanese, European, and U.S. OEMs. Sales have remained steady and are growing.

However, in recent years, our business environment has become increasingly uncertain, with factors such as the slowing pace of vehicle electrification due to regulatory shifts and changing trade policies. Even in this challenging environment, we will maximize our strengths, including development capability, quality excellence, and cost competitiveness, to propose high-value-added products and secure future business opportunities.

To achieve sustainable growth, we are advancing DX across the entire manufacturing value chain, from product development to production and management, incorporating Al and IoT. Alongside increased automation, including in logistics, these efforts will improve process efficiency, reinforce our cost structure, and support our goal of achieving an operating margin of 5% or higher.

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023-FY2025)

Message from the CFO

> Enhance Earning Power—Status of **Operations in North America**

Enhance Earning Power—Status of Operations

Enhance Earning Power—Status of Operations

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



Enhance Earning Power—Status of Operations in China

Expanding Sales Channels in China to Broader Asia, Lifting the Top Line Through Commercial Rights Coordination and Parts Mutual Complementarity

FY2024 Direction

Transition to a business structure aligned with customer production volumes

Key Initiatives in FY2024

- Recognition of impairment losses
 Transitioning pressed parts to on fixed assets
- Optimization of workforce levels
- Rigorous cost reduction
- in-house production
- Consolidation of production lines
- Line layout optimization

Acquisition of new

Drivers to Improve Business Profitability in FY2025

Reduction in depreciation expense through impairment losses

¥1.8billion/vear

Reduction in labor costs through workforce optimization

¥ 0.9 billion/year

Benefits amount from pressed parts insourcing. expense reduction, and other measures

¥ 0.8 billion/year



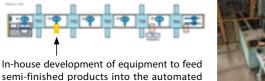
customers

Total reduction in fixed costs

¥3.5billion/year

Achieved a Structural Transformation to Support Low-Volume Production Through Workforce **Optimization and Reduction in Fixed Asset Value**

Initiative to Bring Press Operation In-House



Work-in-process

To reduce outsourced processing costs, transitioned 12 parts to in-house production (7 large, 5 small/medium)

Effect: Approx. ¥40 million per year

In-House Production of Shipping Carts to Reduce **Purchasing Costs**





Implemented improvements by repurposing surplus carts from reduced production to cut new purchase costs

20% cost reduction per cart

Promoting Various Initiatives Focused on in-plant efficiency improvement

Current Status and Future Outlook for China

Shigeharu Tobita

Managing Executive Officer (Division Manager, Sales & Marketing Division, and Regional CEO, China & ASEAN)



The Chinese automotive market remains steady, supported by government policies such as last year's purchase-incentive programs and tax exemptions on new energy vehicles (NEVs) through 2027. Sales volumes continue to rise for both domestic and export markets. The market composition has shifted significantly: five years ago, non-NEVs held over a 95% share, but this has dropped to just under 60%, while NEVs have surpassed 40%. Chinese OEMs now account for over 65% of the market, compared to 15% for German OEMs, 11% for Japanese OEMs, and 6% for U.S. OEMs. Our two Chinese production bases (in Zhongshan and Wuhan) were originally configured for 900,000 units each, targeting foreign automakers, but we have faced steep sales declines. At the end of last year, we implemented voluntary retirements and asset impairments to streamline our production structure. Going forward, we will leverage the cost competitiveness of our slimmeddown manufacturing bases, the product proposal capabilities of our local development sites, and the investment cost efficiency of our local mold manufacturing and sales sites—along with the speed (operational efficiency) at which these can be locally integrated—to expand business not only with foreign OEMs but also with Chinese OEMs. Additionally, as Chinese OEMs expand into other Asian markets, we aim to extend our developed Chinese sales channels into Asia, leverage associated commercial rights for regional expansion, explore cross-regional parts complementarity, and use this combined network to raise our top line.

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023-FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

> Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

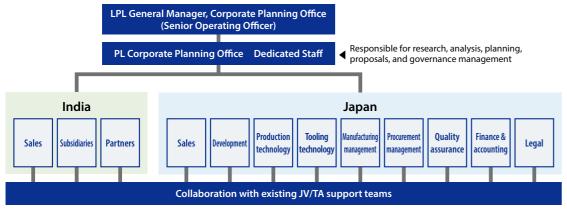
Governance



Enhance Earning Power—Status of Operations in India

Aiming for Further Profit Growth, Taking on the Challenge of Value Creation in the Growth Market of India

In April 2025, we launched the F-TECH India Strategy Project, starting an approach toward business expansion.



Note: LPL: abbreviation for Large Project Leader (overall command) PL: abbreviation for Project Leader

Under the India Strategy Project, we are advancing initiatives to enhance competitiveness.



India: Opening the NEXT STAGE!

Jiro Yamauchi

Senior Operating Officer (General Manager, Corporate Planning Office, and India Business Officer)



With the automotive industry undergoing dramatic changes both globally and domestically, achieving sustainable growth demands the continual exploration and expansion of new markets. Today, with overseas revenue accounting for more than 90% of our consolidated net sales, we cannot look optimistically toward the next 20 years if our growth strategy relies solely on North America and China as profit sources.

We are therefore focusing on India, one of the world's most dynamic growth markets. Driven by its expanding population and workforce, rising vehicle ownership, and strong competitive advantages, we believe the Indian market offers assured long-term growth. Our partnership with VEE GEE reached its 10th anniversary in FY2024, and we now have 10 expatriate members stationed in India.

Moving forward, we will fully leverage our strengths in R&D capability, human capital, and international competitiveness, focusing management resources to make our India business the Group's third pillar of profitability by 2050. As part of this growth strategy, we launched the F-TECH India Strategy Project (FIS PJ) in FY2025 to drive a wide range of initiatives aimed at expanding our business in India

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

> Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

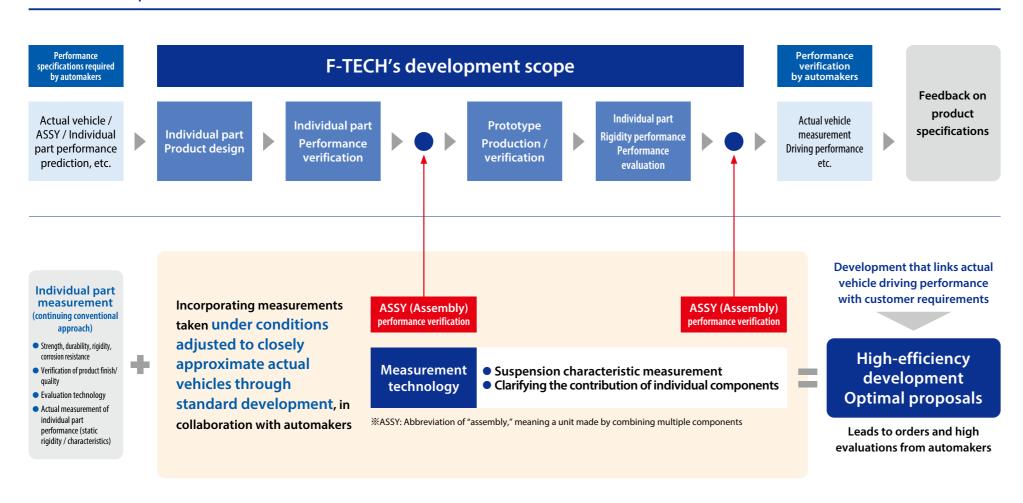
Governance



Enhance Earning Power—Maximizing Development Efficiency

Promoting the Expansion of Development Scope and Further Improvement of Development Efficiency

Standard Development Flow



INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

> Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



Establish New Technologies

Expanding Deployment to additional sites and Vehicle Models, aiming to Further Reduce Part Disposal Costs and Promote Inspection Automation

Non-destructive inspection equipment + In-house judgment software = F-TECH's original non-destructive inspection technology for welds

Basic Research

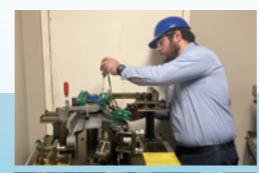
In-house developed inspection equipment





Introduction of Prototype Machines

Non-destructive inspection operation by workers





Shift to a Fully Automated System

Automation of non-destructive inspection by robots (under development)



INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

> Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



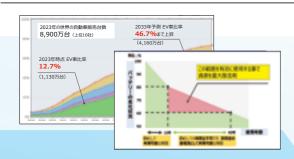
Pursue Strategic Opportunities to Grow the Business

Second-life use of high-performance vehicle batteries is an effective solution for realizing carbon neutrality.

Entering the EV Battery Reuse Business to Realize a Circular Economy

Issues Identified and Initiatives Undertaken

Identifying issues with EVs and EV batteries



Solution study (circular economy)



FY2024 Initiatives



FY2025 Plans

- Prototype development and proof-ofconcept testing
- Begin establishing sales channels internally and externally

Key Themes

- Install reused batteries
- Conduct proof-of-concept testing
- ●Establish sales channels 間間式ト





INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023–FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations in India

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

F-TECH: The Choice for Performance

Value Creation Strategy

Governance



F-TECH: The Choice for Performance

Thanks to the warm support of our customers and business partners, F-TECH has been honored with numerous awards in areas such as quality, cost, delivery, and supply. Here, we showcase the achievements we have made through daily efforts and the cooperation of all our stakeholders.

Honda Group



Challenging Spirit Award

Appreciation for cooperation and maintaining supply during supplied-parts defects





Outstanding Appreciation Award

High recognition for achieving superior quality performance in new model launches



Excellent Supplier Award

Recognition for production flexibility and zero delivery defects

Quality

General Motors



Supplier Quality Excellence Award Awarded five consecutive years in the field of

quality



Platinum Supplier

Recognition for support in service parts supply and related areas



Annual Supplier of the Year

Awarded for excellence in quality, cost, delivery, and development



Toyota Group



Best Supplier for Quality, Cost, and Delivery

Award for companies contributing significantly to quality, cost, and delivery



Quality and Delivery Excellence Award Recognition for achievements in quality and

delivery



Superior Quality Performance Award

Top quality award



Superior Delivery Performance Award Outstanding delivery award

Nissan Group



Outstanding Quality Appreciation Certificate Recognition for contributions in quality, cost, and

delivery



Regional Supplier Quality Master Certificate

Excellence award for quality





Global Supplier Award

Recognition for excellence in delivery and quality

Suzuki Group



Certificate of Appreciation

Appreciation for daily quality and excellent delivery performance

maintenance

Supply





Certificate of Appreciation for



Best in Quality Excellence in quality award



Best in Delivery

Excellence in delivery award

Mitsubishi Motors

Achieving Delivery

Appreciation for meeting delivery targets

Recognition for stable supply and quality



Excellence Quality With Zero Defects

Award for achieving zero delivery defects



OEM

Group



Quality sustenance award [Bellsonica] Excellence award for quality improvement

Superior Delivery Performance Award

activities



Plague of Appreciation [Toyota Aisin]

Appreciation for promoting the local sourcing of resin parts



Overall / Excellent Performance Award [Denso]

Outstanding company award for contributions to quality, cost, and delivery



Quality Appreciation



Best supplier QCD [Aisin Shiroki] Recognition for excellence in quality, cost, and delivery

INDEX

Introduction

Value Creation Story

The Value Creation Process

Identification of Materiality and the Sustainability Roadmap

Materiality Initiatives

Overview of the 15th Mid-Term Business Plan (FY2023-FY2025)

Message from the CFO

Enhance Earning Power—Status of Operations in North America

Enhance Earning Power—Status of Operations in China

Enhance Earning Power—Status of Operations

Enhance Earning Power—Maximizing Development Efficiency

Establish New Technologies

Pursue Strategic Opportunities to Grow the Business

> F-TECH: The Choice for Performance

Value Creation Strategy

Governance



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Executing an HR Strategy Closely Aligned With Our Business Strategy

To enhance earning power and strengthen competitiveness and corporate value, it is essential to formulate and steadily execute a human resources strategy. At F-TECH, we have moved beyond the traditional concept of "human resources"—viewing employees simply as a management resource for production—and have embraced the concept of "human capital," which recognizes people as contributors of value and an indispensable driver of corporate growth.

Specifically, we are promoting professional skill development and technical expertise enhancement, career development for global talent, improved employee engagement, the optimal placement of talent based on abilities and career aspirations, and the expansion of mid-career recruitment. Of these, improving engagement is a key priority. We are actively revising our performance evaluation system and work styles, while enhancing training programs.

In talent development, we emphasize our core values of "professionalism" and "ownership." Professionalism means striving for excellence and continuing to take on challenges. Ownership means acting proactively with a strong sense of responsibility. Because more than 90% of our revenue comes from overseas, a global perspective and initiative are essential. We aim to nurture talent capable of viewing the entire Group strategically and acting with

alobal awareness.

We refer to our global network of locations and employees as the "F-TECH Family." This reflects our management philosophy of creating a workplace where employees can work with safety, security, hope, and motivation. In education and training, we introduced the F. Career Design Advance program in 2023, with the president personally serving as instructor. More than 200 employees have already participated, fostering a corporate culture that values autonomy and improving our employee engagement score.

Building Organizational Strength Through Human Potential Development

One of our key challenges is to strengthen organizational capability by enhancing the human potential of our employees. Historically, on the manufacturing floor, we have emphasized hands-on experience and skill improvement, resulting in many employees who are technically strong but have limited knowledge or interest beyond their immediate area: a craftsman mindset. Looking ahead, given factors such as declining birthrates, aging populations, and an uncertain business environment, we need talent capable of thinking and acting comprehensively: understanding how to run an organization and drive performance with limited personnel. Developing such well-rounded talent and leveraging such talent to reinforce organizational strength is essential.

Until now, our HR systems and talent development have largely been managed independently by each business division, with many employees spending their entire careers in a single department. Going forward, we aim to implement a companywide, cross-functional HR strategy to strengthen collaboration between divisions and build stronger organizational capabilities. By creating an environment where employees can change careers internally based on their skills, aptitudes, and aspirations, we can also reduce turnover. We want employees to discover the diverse opportunities within the company, develop their individual strengths, and maximize their potential

The automotive industry is in an unprecedented era of transformation. For F-TECH to achieve sustainable growth under these conditions, it is not enough to have knowledge and skills; we must also cultivate people who can think flexibly and from multiple perspectives, and who can build strong trust through smooth communication with customers and colleagues alike. We will continue to build systems to make this vision a reality and foster the talent needed to support our future growth.

Human Capital Strategy



Driving the Development of the Next Generation of Talent Amid Unprecedented Change in the Automotive Industry





INDEX

Introduction

Value Creation Story

Value Creation Strategy

> Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global **Environmental Targets**

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Human Capital Development Initiatives

Transformation Toward a Strategic and Sustainable Human Capital Development System

In aiming for sustainability management, it is essential to raise employee motivation and increase engagement. We believe that to enhance engagement, we must respect the individuality of all employees and commit to drawing out their full potential according to their stage of growth and career path. One of our corporate principles is "respecting people." We believe that mutual respect for each other's values, regardless of gender, nationality, or ethnicity, and the creation of new values from diverse perspectives are essential to corporate growth, and we are actively working to ensure diversity. Building on this foundation, we are developing a strategic and sustainable human capital development system to nurture people who can embody all three of our corporate principles: "respecting people," "challenging spirit," and "making profit." Through this system, we will cultivate the motivation and individuality of every employee to their fullest potential.

Strengthening Human Capital



Areas to Promote

- Planning and executing HR strategies aligned with business strategy
- Enhancing the capabilities of the Human Resources Department (and its function)
- Building systems and providing opportunities to maximize the potential of talent
- Improving human capital management and strengthening internal communication by appointing business unit veterans to HR roles
- Improving work and employee engagement

In an era of rapid, unpredictable change, it is essential to have a strategic and enduring framework for advancing human capital development.

Establishment of the Human Capital Development Section

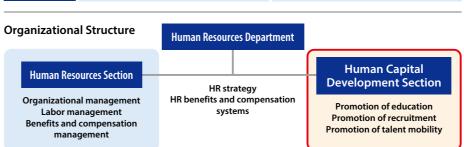
To further strengthen talent development and enhance the value of human capital, we established the Human Capital Development Section within the Human Resources Department in April 2025. This section's purpose is to reinforce talent development, support each employee's growth through career development and challenges, and aim for the sustainable improvement of both employee engagement and corporate value. Our main initiatives are as follows:

- OPromoting management of recruitment, development, and placement based on a talent portfolio;
- ORebuilding and continuously refining the education system to respond to societal changes; Olmproving the performance evaluation system to better reflect growth (contribution) and
- Olmproving the performance evaluation system to better reflect growth (contribution) and results; and

Ostrengthening the support framework for individual career development. Even in an era of rapid and unpredictable change, we will strengthen our organizational framework through talent development, build robust human capital, and aim to become the world's leading specialist manufacturer of functional area for vehicle chassis.

Establishment of the New Human Capital Development Section

Strengthen the Company's commitment through education and training	Clarify educational responsibility through organization of the education system			
Improve engagement through expanded education and training opportunities	Enhance transparency and disclosure through visualization of education-related information			



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

> Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Stepping Up Human Capital Development

F-TECH has leveraged its experience as a manufacturing company in the automotive industry to establish an inhouse education system by job grade. Every year, we formulate an annual training plan at the start of the fiscal year and have promoted systematic talent development through role-specific and level-specific training delivered by internal and external instructors. However, to thrive in an era of once-in-a-century transformation in the automotive industry and a time of rapid and unpredictable change, we have determined that it is essential to transform our talent development framework to be more flexible and agile than ever before. We are reviewing and redefining our ideal talent profile (talent requirements) and, with the upcoming Mid-Term Business Plan, will establish a talent development policy suited to F-TECH, taking decisive steps to strengthen human capital development.

To create talent aligned with our management strategy, we are focusing on the following three key areas in human capital development.

1 Developing Talent Capable of Competing Globally

With over 90% of our revenue coming from overseas, cultivating talent who can thrive globally is critical for the development and continuity of our business. In addition to fostering cross-cultural understanding, global mindset, and language skills, we will expand systems and frameworks that enable employees to gain global work experience earlier and more broadly in their careers.

2 Advancing and Passing on Core Technical Expertise

Strengthening our manufacturing capabilities is essential for business continuity. We will reinforce our organizational structures to sustain and transfer the technologies and

experience cultivated in our production sites. At the same time, we will actively create opportunities for engineers to broaden their perspectives and skill sets in pursuit of technological advancement.

3 Enhancing Level-Based Training to Maximize Roles and Responsibilities

To transform the diversity of our workforce into organizational strength and maximize performance through synergy, we will strengthen levelbased training that helps each individual recognize their role and responsibility while fostering a strong sense of ownership. This will enable every F-TECH employee to fully realize their potential and grow as a professional working at a specialist manufacturer of functional area for vehicle chassis.

Introducing Career Development Training for All Generations

As part of our career development initiatives, we are implementing the F.Career Design Advance program. In this program, the president personally serves as the instructor, engaging directly with participants to convey the Company's management vision, philosophy, and desired talent profile. This dialogue helps employees reaffirm their roles and expectations and supports their career planning. In 2023, the program was updated and expanded, and to date, it has been held 20 times for about

Becoming the World's Leading Specialist
Manufacturer of Functional Area for Vehicle Chassis

Enhancing human
capital strength
Human capital (Pis
Engagement

"Challenging spirit" "Respecting people" "Making Profit"
Redefining the "ideal talent profile" and strengthening and promoting human capital development

ESG

Mid-Term Business Policy

Systems

Recruitment

Sustainability Management

Systems

Recruitment

Diversity

Message from the President

Evaluation

Development

180 next-generation leader candidates. This fiscal year, the program will expand to include management-level employees and will continue moving forward. To further strengthen career development from the perspective of human capital development, we are newly introducing career development training for all generations into our education system. This program provides employees with regular opportunities to reflect on their careers, fostering individual autonomy and promoting greater engagement.

F-TECH has set its 2030 vision as "Being Happy!" Under this vision, the Company aims to create an environment where every employee can realize their personal career plan through taking on challenges. Led by the Human Capital Development Section, we are building a support system to help all employees grow and thrive.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

> Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Occupational Health and Safety Initiatives

The Group is committed to achieving zero accidents and is working to improve occupational health and safety standards globally under a Companywide safety policy.

In FY2024, F-TECH* and Fukuda Engineering Co., Ltd. adopted a Company-wide safety policy: "We aim to improve the safety level at all of our sites by globally standardizing and sharing safety and health rules. Based on this policy, the entire Group implemented occupational health and safety activities. At the company-wide safety committee, each site reported and discussed the previous fiscal year's results and the current year's activity plan. We also considered improvements to the rules and routes for submitting accident reports. In addition to aiming for zero lost-time accidents and prevention of non-lost-time accidents, we are also promoting activities to eliminate commuting accidents and traffic incidents. In FY2025, we will continue safety-level improvement activities aimed at achieving zero accidents in line with the Companywide safety policy.

Eliminating Serious Accidents Through Stamping-Site Safety Inspections

In recent years, serious accidents and near-miss incidents during crane operations have increased at Stamping sites in both domestic and overseas locations. In response, the management meeting instructed a "comprehensive Stamping-site safety inspection across all Group locations by the mother plants." First, stamping-site personnel from the Kuki Plant and Kameyama Plant created a check sheet and conducted on-site safety checks. Subsequently, in FY2024, press safety inspections were also carried out at seven sites in North America. Each site implemented improvements based on the identified issues and advice, and all items were successfully addressed. As a result, accidents in Stamping areas in North America decreased compared with the previous year. In FY2025, we plan to expand these Stamping safety inspections to sites outside North America as well. Going forward, we will continue safety activities with the goal of eliminating serious accidents during crane operations.

	Inspection Items by Location	DM	FPC	FPA	FRDNA	FPG	FPMX	FEGQ
Start-of-Shift Inspection	Are start-of-shift inspections for cranes performed according to standards? (Do operators understand inspection points and evaluation methods?)	0	0	0	Monthly inspections, conducted by external contractors	0	0	0
	Are inspection results recorded on inspection sheets or equivalent forms?	0	0	0	A	0	0	0
	Are start-of-shift inspection records checked daily or per shift by supervisors?	0	0	Missing supervisor signature in one area	A	No SV signature on mold maintenance inspection sheet	0	0
	Are start-of-shift inspections for sling wires performed according to standards? (Do operators understand inspection points and evaluation methods?)	0	0	0	O Visual checks performed but no records kept	0	0	No defined inspection standards
	Are inspection results recorded on inspection sheets or equivalent forms?	0	0	0	0	0	0	Only visual checks conducted
	Are start-of-shift inspection records checked daily or per shift by supervisors?	0	0	A	0	0	0	A
	Are identification management charts for sling wires posted?	Documentation needs to be created	0	0	0	Management chart posting planned for future	0	Chart posted but too small
	Are replacement criteria for sling wires defined?	0	0	0	0	Replacement criteria exist but not posted	0	× No replacement criteria defined
	Is the load properly centered before lifting?	0	0	0	0	0	0	0
St	Are operators stopping momentarily before and after ground clearance to confirm safety?	0	Temporary stop before ground clearance not specified in manual	0	0	0	0	Unable to confirm procedures; manual shows "100 mm"
anda	Are appropriate wires being used?	0	0	0	0	0	0	0
Standard Work	Is the standing position during lifting correct?	0	0	0	0	0	0	0
	Is the lifting height kept within standards when moving loads?	0	0	0	0	0	0	0
	Is the moving route being followed?	0	0	0	0	0	0	0
	Are loads being left suspended unattended?	0	0	0	0	0	0	0
	Have workers engaged in slinging received internal safety training on sling wires?	0	0	0	0	0	0	0
Training	Are training records maintained?	0	0	0	0	0	0	0
	Is there a training plan in place?	0	0	0	0	0	0	0
	Are the items on this check sheet included in regular training topics?	0	0	0	0	0	Training materials need to be created	0
	Is there repeated training and comprehension evaluations conducted to prevent knowledge loss?	0	0	0	0	No comprehension evaluations conducted	0	0
	Is the controller storage location clearly defined?	× Controller stored on top of cabinet	Controller stored on uncoiler table (hanging type)		hanging type		0	hanging type
Safety	Are specified protective gear items worn correctly?	0	0	Specified protective gear displayed near machines but unclear	0	0	0	0
	Are there clear criteria for judging wear and tear of protective gear?	0	Operator judgment used for determining gear condition	A	0	0	0	No standard; common sense judgment with SV or HR evaluation
	During crane operation, are operators refraining from putting fingers inside rings or slings?	0	0	0	0	0	0	0
	During crane operation, do operators confirm no people are nearby?	0	0	0	0	0	0	0
	When not in use, is the crane returned to its designated standby location?	0	0	A	0	0	No defined crane standby location (wire height exceeds 2 m)	0
	During crane transport, is crane work being performed in the direction of travel?	0	0	0	0	0	Manual needs to specify keeping eyes on load	Standby area seems to exist but is not clearly marked
	When slinging, are operators avoiding touching controller buttons? (E.g., holding the controller with one hand and slinging with the other) $\frac{1}{2} \left(\frac{1}{2} + 1$	Remote control with carabiner can be attached to belt hook	0	0	O No East/North marking on pendant of 10t crane	O Some controller button labels not visible	0	O Some controller button labels not visible
orkability	Is adequate working space for slinging secured?	0	0	Some areas too narrow — need to consider establishing alternative locations	0	0	0	0
	Is the surrounding environment safe for constant visual checks?	0	0	0	0	0	0	0
	Are cranes being operated in areas where third parties cannot see?	0	0	0	0	0	0	0

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

> Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



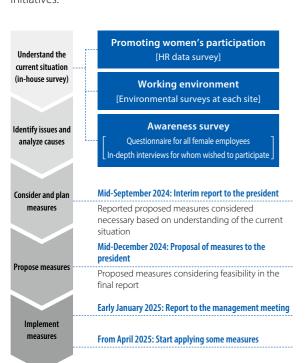
^{*} Head office, Kuki Plant, Kameyama Plant, Haga Technical Center, and Kazo Equipment Center

Creating a Comfortable Working Environment

Starting Workplace Reforms from Employees' Insights, Woven Together by the Working Team

Creating a Workplace Environment Where Female Employees Can Work Comfortably

In April 2024, the president launched the Women's Working Team project. With the purpose of promoting women's advancement by enabling female employees to take the lead in creating a comfortable work environment, cross-functional members selected from diverse backgrounds and experiences were assigned exclusively to the team, working together to promote improvement initiatives.



Main Improvement Initiatives

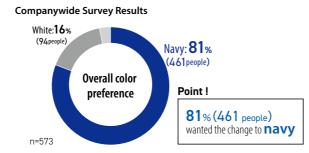
Review of Work Uniforms

Based on long-standing feedback from female employees, a proposal was made to change the color of work trousers from white to navy. After conducting a Companywide survey including executives, employees, and temporary staff, the change was applied to everyone working at F-TECH.

Proposal to Change Color of Work Trousers Incorporating Safety Awareness and Addressing Daily Difficulties

Survey and interviews with female White workwear White: Safety awareness Want workwear changed to darker colors Worn for over 70 years Want options other than white Aligned with major customers Some male employees also voiced concern about Challenges faced by female employees undergarments being visible Concern about various types Undergarments are see-through of stains Concern about stains during Want workwear better fitted menstruation⇒ Long-standing to women's body shapes issue

Through the survey and interviews of all F-TECH female employees, many requested a change in the color of work trousers.



Extension of the Maximum Eligibility Period for Short Working Hours

To support a balance between childcare and work, a system revision was implemented to extend the previous limit of "until the child is in the third year of elementary school" was extended to "until graduation from the sixth grade." By expanding work style options, the Company further advanced the creation of a safe and long-term working environment.

• Expansion of Departments Eligible for the Flextime System

To realize more flexible work styles, we reached out to departments where the flextime system had not yet been introduced and promoted a proper understanding of the system. As a result, more departments adopted the system, enabling more employees to choose work styles suited to their lifestyles.

Proposals

- Expansion of departments eligible for the flextime system
- Extension of the maximum eligibility period for the short working hours system
- Allowing the combination of short working hours and the flextime system
- 4 Introduction of a remote work system
- 6 Fair evaluation system
- Raising awareness toward female employees within the Company / correcting regional disparities
- Review of workwear
- 8 Improvement of the working environment
- Information sharing on nursing care systems

Status of Application and Promotion

Human Resources Department reached out to and interviewed department heads

Some departments have adopted the system

Until third year of elementary school

Until sixth year of elementary school Completed

Continuing to consider

Continuing to consider

Planning implementation this fiscal year [Female executive lectures / roundtable discussions] For female employees [External training] For department heads and female employees

Change of color of workwear trousers, applied from April 2025 **Completed**

Promoting across sites

Information shared on the portal site by Human Resources Department **Completed**

Some proposals under review and promotion by each responsible department, with some already implemented

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

> Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Creating a Workplace Environment Where Everyone at F-TECH Can Work Comfortably

In May 2025, the second term of the Working Team was launched with some members changed and the addition of male members to bring more diverse perspectives and evolve the improvement efforts. Moving beyond simply promoting women's advancement, the team has shifted to initiatives aimed at enhancing the well-being of all employees, including diversity, and is now advancing its activities as the Well-being Working Team.

Sustainability Promotion

The "WWT" project under direct control of the president was transferred to the Sustainability Promotion Department.

Structure for the 70th Fiscal Year WWT

6 female members (concurrent roles) 5 new members (4 male, 1 female)

3 continuing members (female)

Structure for the 71st Fiscal Year: WWT II (Well-being Working Team)

Total: 8 members
(1 full-time member from the Sustainability Promotion Department, 7 concurrent members)

Haga area: 2 members (1 male, 1 female) Kuki area: 4 members (2 male, 2 female) Kameyama area: 2 members (1 male, 1 female)

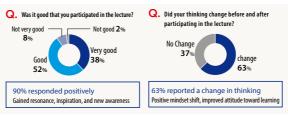
Team activities to increase the happiness and well-being of all employees

From promoting women's advancement to activities aimed at enhancing the well-being of all employees



Creating Opportunities to Reflect on Future Work Styles

In June 2025, we held a lecture for female employees titled "~3 Years, 5 Years, 10 Years from Now~ Thinking About Your Own Work Style." This initiative provided employees the opportunity to reflect on their approach to daily work and consider their future careers. We invited Ms. Tomono, who previously served as one of our external female directors, as the speaker to share her perspectives and attitudes toward work based on her diverse career experiences. In the participant survey, 90% responded that they "gained resonance, inspiration, and new awareness." Additionally, there was confirmation of positive mindset shifts and improved attitudes toward learning, making this a meaningful opportunity to spark individual growth motivation.





From On-Site Insight to Improvements in the Workplace

In July 2025, a roundtable discussion was held at the Kameyama Plant with employees and members of the Working Team. Under the themes of "What is needed for a comfortable workplace" and "What kind of environment makes you want to keep working here," employees from diverse backgrounds—gender, age, department, and years with the company—exchanged honest opinions.

Since the introduction of navy-colored work trousers in April 2025, many positive comments have been received, and further ideas were actively discussed about how to improve convenience and comfort. Additionally, the opinion that understanding the work of other departments could broaden one's own perspective, proposals such as short-term job rotation emerged. Employees themselves explored possibilities for improvement, leading to proactive suggestions. The Working Team continues to create these opportunities for dialogue among employees, promoting initiatives to build a more comfortable workplace.





INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

> Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Building Work Fulfillment as a Team

Mutual support and collaboration create workplace vitality and a sense of fulfillment

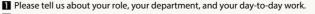


Keiko Kurosawa

Location: F&P Georgia
Department: Quality
Position: Manager and Resident
Quality Representative

- As a manager and resident quality representative in the quality control department at the production site, I am responsible for quality improvement activities, customer response, and managing attendance and budgets for my team. The quality control section consists of 24 members and handles all quality operations for mass production, new models, suppliers, and service parts, as well as coordinating with related sites and preparing reports.
- There are two moments when I feel a strong sense of fulfillment in my work. The first is when I feel my own growth while taking on new tasks. As an overseas resident employee entrusted with a wide range of responsibilities, I have faced many challenges and acquired knowledge I didn't have before. These experiences have become a great asset to me. The second is when local staff members grow and we achieve results as a team. Since launching new initiatives aimed at improving quality, local team members have begun thinking and acting independently, enabling smoother reporting and implementation of corrective actions. Seeing this progress has made me very happy. I have realized that even with different cultures and backgrounds, consistently addressing what is right leads to trust and growth.
- 3 I don't know what kind of work I will be involved in in the future, but in any environment, I want to listen carefully to others, respect each other, and always strive to act with integrity. I intend to remain humble and courteous, maintaining a positive and proactive attitude toward any challenge that comes my way.





2 In your work, when do you especially feel a sense of fulfillment or motivation?

3 How would you like to make use of your past experiences going forward?



Yuichi Wakabayashi

Location: FMTL
Department: Production
Position: Production Advisor

- I am currently serving as an advisor in the FMTL manufacturing department. While also supporting quality- and sales-related tasks, I place great importance on communication with local staff, respecting each other's perspectives as we work together across a wide range of responsibilities.
- I feel the greatest sense of fulfillment when working with a strong sense of unity alongside my colleagues. It has been about one year and ten months since I was assigned to FMTL. At first, I struggled with the language barrier and worried about how to make myself understood. However, by gradually learning Thai and actively communicating with everyone, trust naturally developed as we collaborated. We now exchange opinions with mutual respect and trust, and we collaborate to tackle difficult situations. As we move forward toward shared goals, I strongly feel the joy and sense of purpose in my work and experience daily growth.
- I want to pass on the experience and knowledge I have cultivated to the next generation while valuing human connections. By leveraging the relationships I have built with many people both inside and outside the company, I hope to expand networks and create more opportunities to share the sense of fulfillment and enjoyment that comes from working together.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

> Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

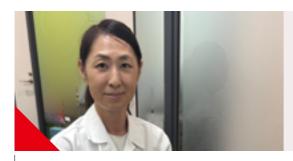
The F-TECH Group's Global Initiatives

Governance





- 2 In your work, when do you especially feel a sense of fulfillment or motivation?
- 3 How would you like to make use of your past experiences going forward?.



Mika Ohara

Location : Mikawa Liaison
Department : Sales & Marketing Division,
Sales Department, Sales
Section #2

Position : Staff Administrator

- I work in Sales Section #2, where I am mainly responsible for projects with Toyota. My work involves acquiring new business, negotiating and managing prices, and striving every day to meet our customers' needs.
- 2 I feel a strong sense of fulfillment when customers or colleagues say "thank you." I also experienced a deep sense of accomplishment and fulfillment when our team came together to secure a new model order and achieved our goals. In my work with Toyota, I find it rewarding to take on daily challenges with a global perspective, not only working with customers in Japan but also those at overseas locations. By embracing new environments and tasks positively, I discover new insights and feel my own growth every day. I have never felt discouraged or negative about my work. Building trust with customers and collaborating with my colleagues are the sources of my sense of fulfillment at work.
- I want to continue leveraging the experience I gained during my assignment in Thailand—such as working in a cross-cultural environment and honing my sales

communication skills—to meet customer expectations with a global perspective. F-TECH is a company where you can take on new challenges, and I hope to keep enjoying new opportunities while contributing to both the company's growth and my own development.





Hidetaka Nishikawa

Location : Kameyama Plant

Department: Production Planning

Division, Kameyama Plant,

Manufacturing Department, Stamping Section

Position : Coordinator

- As a Coordinator in the Stamping Section, I support overall operations to keep the workplace running smoothly. Every day, I work closely with team leaders and on-site staff, focusing on improving quality and reviewing workplace structures to create a better working environment.
- 2 I feel the greatest sense of fulfillment when I see my team members grow—such as when they take on new challenges and accomplish tasks they couldn't do the day before. Another major source of motivation is the sense of achievement we gain when the whole team works together to overcome difficult production targets or challenges. I place importance on supporting the growth of on-site staff by setting concrete goals aligned with the current situation while keeping the final goal in mind and flexibly revising plans as needed. I also make a point of recognizing small efforts and challenges through casual daily conversations, saying "thank you," and valuing not only results but also the act of taking on challenges itself. This helps create a positive and fulfilling workplace where everyone can work with a sense of purpose.
- I have found great satisfaction in supporting the growth of my team members and achieving goals together. Going forward, I will continue to value even small efforts and challenges, fostering a workplace that encourages positive growth. Through my personal motto of "taking on both enjoyable and difficult tasks," I also hope to inspire my team to maintain a forward-looking attitude.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

> Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Our Connection to the Local Community

Social Contribution Activities For a Sustainable Future

Shirasagi Park Maintenance Activities

<March 26, 2025>

Together with members of the Kuki City Office, we planted lavender in Shirasagi Park. While wishing for the healthy growth of the lavender in the future, we were able to carry out the activity in a warm and friendly atmosphere.

The Company aims to contribute to biodiversity conservation rooted in the local community. We will continue to work with the city of Kuki to carry out community contribution activities, including the development and maintenance of Shirasaqi Park.





Local Cleanup Activities

Kuki Area

Bizenhorikawa River Cleanup Activities

<November 22, 2024 / March 21, 2025> Total number of participants: 84

Note: The Bizenhorikawa
River cleanup activities
are conducted jointly
with six neighboring
companies.
Cooperating companies
: Nippon Chutetsukan
K.K., Okabe Co., Ltd.,
Sanyo Industries, Ltd.,
Toyo Seikan Co., Ltd.,
Godai Industry Inc.,
Hirooka Tekko Co., Ltd.



Kameyama Area

Adopt Program: Green Area Cleanup in the Meihan Industrial Park

<May 25, 2024 / July 20, 2024 / November 23, 2024> Total number of participants: 90

Note: About the Adopt Program
This is a volunteer program in which citizens act as caretakers of public facilities such as roads and parks, treating them as if they were their own children (through beautifications and all



beautification and cleanup activities), while the city provides support. The city of Kameyama introduced this system for parks and green spaces on April 1, 2007. (F-TECH's Kameyama Plant participated as the first registered group in the city of Kameyama.)

Haga Area

Haga Industrial Park Cleanup Campaign

<May 23, 2024 / July 4, 2024 / October 17, 2024> Total number of participants: 67





F-TECH Forest Creation

< November 15, 2024 >

Although this forest creation activity is usually held on a spring holiday, in FY2024 the scheduled date was postponed due to rain, so the event was held on a weekday in autumn.

As a result, new members who previously had difficulty participating on holidays were able to join this time, and participants shared comments such as, "It was a valuable experience



to contribute to environmental conservation," and "It was a refreshing change of pace."

Joint Food Drive Donation Ceremony

<November 28, 2024>

This year, we once again conducted a food drive activity in cooperation with Saitama Resona Bank. Thanks to calls for participation within the company, employees donated a total of 854 food and daily necessity items, which were delivered to nine children's cafeterias and pantries, mainly in the city of Kuki.

The food drive, which aims to support local children and families, has been held every year since 2021, making this the fourth consecutive year. As the number of households needing support continues to increase due to

rising prices and changes in living conditions, we will continue to work with the local community to help children grow up healthy and support their enriched daily lives.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

> Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Global Activities

As a company that walks together with local communities, we carry out social contribution activities around the world.

North America

United States

F&P America Mfg.,Inc.







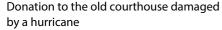
13 ANERE

Donation of supplies to people affected by tornadoes



United States

F.TECH R&D NORTH AMERICA INC.





Canada

F&P Mfg., Inc.





Financial support for students and the local community



Canada

DYNA-MIG, A Division of F&P Mfg., Inc.





Support for community food drive activities



Asia Pacific

India

India Steel Summit Private Limited





Donation of stationery to local elementary schools



Philippines

F.tech R&D Philippines Inc.





Donation of school supplies to local elementary schools



Thailand

F-TECH MFG. (THAILAND) LTD.





Donation of daily necessities to the elderly



Indonesia

PT. F.TECH INDONESIA



Donation of school supplies to children in care facilities



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

> Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global **Environmental Targets**

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Information Disclosure Based on TCFD Recommendations

In September 2023, the Company decided at board meeting to be committed to achieve carbon neutrality throughout the supply chain by 2050. We will continue to address climate change in accordance with the TCFD's disclosure recommendations.



- Board of Directors oversight of climate-related risks and opportunities
- Management's role in assessing and managing climate-related risks and opportunities.

The Company recognizes climate change as a topmost management issue and has established a Carbon Neutral Strategy Committee and a Carbon Neutral Promotion Cross-Functional Team (referred to as CFT) under the supervision of a director to strengthen its response to this issue. The organizational structure is shown in the diagram below.

Board of Directors

The Company considers adapting to climate change adaptation a topmost management issues based on the identification of materiality in its areas of business. The Board of Directors receives regular reports and conducts monitoring regarding the deliberation and decision-making on important corporate governance policies and

the status of sustainability management. Additionally, significant matters such as the roadmap for carbon neutrality, the implementation plan developed by Cross-Functional Team (CFT), and the establishment and revision of committee regulations are discussed in the Management Meeting before being presented to the Board of Directors.

Management Meeting

To ensure the smooth operation of the Company's business activities, the Management Meeting engages in the resolution, discussion, and understanding of important management matters. We conduct deliberations on overall business plans and budgets based on annual and mediumterm management policies. Moreover, we hold discussions and review progress on important matters such as implementation plans and roadmaps related to climate change adaptation.

Climate-Related Governance Structure Sustainability Committee Carbon Neutral Strategy Committee Chair: President & CEO Members: Heads of divisions-offices Meeting Carbon Neutral Promotion CrossFunctional Team (CFT) Chair: General Manager of Corporate Planning Office Members: Department managers of related divisions

Carbon Neutral Strategy Committee

The committee is chaired by the president and CEO and consists of division managers, general managers. The Company conducts its business activities with consideration for various aspects of the economy, environment, and society, aiming to build better relationships with stakeholders and contribute to a sustainable decarbonized society. The committee is responsible for managing and overseeing implementation activities based on the Company's carbon neutral roadmap, discussing and sharing information on action plans and amendments to committee regulations, and handling other important matters that have been discussed by the Cross-Functional Team (CFT). To facilitate decision-making on important matters, the committee submits proposals and reports to the Board of Directors and the Management Meeting.

Carbon Neutral Promotion Cross-Functional Team (CFT)

The CFT is led by the general manager of the Corporate Planning Office, heading a team consisting of department heads from related departments. They are involved in formulating the roadmap and strategy for the Company until 2050. Their main initiatives include gathering and analyzing information on carbon neutrality, identifying business risks and opportunities, and playing a central role in implementing climate change mitigation measures approved by the Board of Directors.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance





- Address selected short-, medium-, and long-term climate change risks and opportunities
- Gauge impacts of climate-related risks and opportunities on business, strategic, and financial planning
- Ensure the resilience of strategies in light of climate-related scenario-based considerations

We have identified climate change risks and opportunities and assessed their impact, based on assumptions about 2050 and taking into account scenarios from the IPCC and the IEA, policy and regulatory trends, and industry developments. Climate change risks and opportunities are constantly evolving, and we will continue to adapt to changing risks and opportunities and strive to further enhance disclosure.

Identification of Climate-Related Risks/Opportunities and Impact Assessment

	Perspective		Business Risks for the Company					
Category			Content	Period	Scope	Financial Impact	Explanation of and Response to Risks	
	Policies, laws	Application of carbon taxes and carbon trading schemes	Increased operating costs due to introduction of carbon tax and purchase of credits	Long term		*	We assume that the impact of carbon taxes and stricter regulations will be small due to our responsiveness to carbon neutrality, but we	
	and regulations	Compliance with GHG emission regulations	Increased regulations and fines	Short term		→	expect to purchase credits for some of emission allowances.	
Transitional risks	Technology	Development of lightweight components Spread of electric vehicles	Increased R&D expenses to meet customer needs Conversion to new technologies and increased capital R&D expenses.		Expenses	1	In order to meet customer needs for electrification, over the long term we will need to design and develop lighter-weight and lower-carbon	
toward in the move toward a decarbonized society		Uptake of renewable energy and energy-saving technologies	Increase in capital expenditures to meet energy saving requirements	Long term		¥	products and establish an energy-saving production system.	
(2°C/1.5°C)	Market	Impact on material prices	Rise in raw material prices and manufacturing costs			→	We expect to incur higher costs in our efforts to reduce product weights, due to the use of more expensive high-tensile-strength materials and non-ferrous metals. as well as the decarbonization of	
		Impact on energy prices	Rising energy prices/increased expenses			→	electricity used in the manufacturing process.	
		Changes in customer behavior	Lost orders due to delay inenvironmental response		Sales	*	If we are tardy in responding to customer needs, the Company may	
	Reputation	Reputational change among investors/ financial institutions Complaints from neighbors	Increase in financing costs (interest rates) Damage to corporate image/fines	Medium term	Expenses Y		lose orders for new models and other products. In addition, procurement costs could rise due to delays in our move to decarbonization, owing to increased ESG investments.	
Physical risks	Acute	Change in precipitation/climate patterns	Production stoppage due to flooding/water shortage		Sales	1	The Company has an electrodeposition coating process, and water shortages could hamper this production process. In addition, the	
associated with failure to respond to climate change (4°C)	Acute	Increased average temperature impact	Heat stroke/worker injury/ increased air conditioning costs	Long term	Expenses	*	Company will need to deal with heat stroke and other risks over the long term due to rising average temperatures.	
	Chronic	Intensification of extreme weather events	Supply chain disruption/reduced production		Sales	1	Production and delivery could be affected by extreme weather events.	

	Perspective		Business Risks for the Company						
Category			Policy Content		Period	Scope	Financial Impact		
	efficiency processes s		Establishment of a sustainable production system	Implement and expand water reduction measures that address water risks Promote waste recycling	Medium term	Profits	→		
Opportunities			Promotion of carbon neutrality Improving the efficiency of production processes	Pursue high-efficiency and minimum-energy production Introduce renewable energy sources and comply with future carbon taxes		FIUILS	*		
stemming from response to climate change	Products Services	Impact on R&D	Develop lightweight products Creation of environmentally friendly products Consider and utilize recycled materials Expand product applications to electric vehicles		Long term	Sales	t		
	Markets Growing adoption of electric vehicles		Establishment of sustainable management Appropriate information disclosure	Expand disclosure of non-financial information Lower financing costs		Sales	*		
	Robustness Resilience Business sustainability partnerships		Improvement of corporate competitiveness through collaboration with suppliers	Strengthen BCP initiatives Support decarbonization		Profits	*		

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

> Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



F-TECH

Our 2050 Carbon Neutral Challenge

We have "We aim to achieve a decarbonized society through contributions to a mobility society, in collaboration with society and our customers." as our slogan. As specific initiatives, we will focus on the introduction of large-scale, high-efficiency facilities, and the promotion of energy conservation and renewable energy. Additionally, we will tailor our product development efforts to meet the needs of our customers

The Company has established an integrated in-house processing system from development to mass production. In the development area, we are conducting evaluations based on life cycle assessments (LCAs) to explore product specifications that are CO₂-free. In manufacturing, we will strive to develop processes that have minimal environmental impact. Through the coordination of development and production, we are committed to environmentally conscious manufacturing.

In the long term, we will strengthen collaboration among our supply chain by sharing Company initiatives and providing support for decarbonization. Through these efforts, we aim to enhance our competitiveness.

Roadmap To Achieving Carbon Neutrality by 2050

Under a new governance structure for climate change adaptation, the Company has formulated a roadmap that

takes climate change risks and opportunities into account. Based on this roadmap, the Company will proceed with identifying more specific measures and developing reduction plans.

Strengthening cooperation with companies in other industries and Energy-saving, high-efficiency/ Decarbonization Phase product initiatives challenge members of the supply chain Scope 1 and 2 by 2035 Scope 3 by 2050 Target Achieve carbon neutrality in the manufacturing domain Contribution to the mobility society Respond to Achieve carbon neutrality in the materials and customer needs The F-TECH Design, development, and engineering areas logistics domains Achieve carbon neutrality by To date Development of environmentally friendly · Consideration of low-CO2 specifications in the Expand into supply chain (SC) domain Improvement development domain of product fuel Develop processes with low environmental impact efficiency (weight Minimize CO₂ emissions at in the manufacturing domain reduction) subcontractors (Tier 2 and below) Carbon Neutral Challenge Propose specifications that emphasize high quality. · Provide energy conservation/technical high performance, low cost, light weight, and low support for decarbonization CO₂ emissions •Request introduction of renewable energy and low-CO₂ electricity Collaboration between development and manufacturing in our integrated processing system Electrification of gas combustion facilities / Switching to alternative fuels Decarbonization of business domains 2050 Manufacturing area Minimization of Scope 1 CO₂ emissions To date Minimization of CO₂ emissions in (direct combustion) manufacturing processes · Electrification of facilities using gas in the Energy conservation · Visualization of energy consumption painting process (product LCA) ·Employ processes that use synthetic fuels Adoption of ISO Planned switchover to large general-50001 purpose facilities and high-efficiency Partial introduction of Increased take-up of renewable energy low-CO2 electricity · Systematic introduction of renewable energy and low-CO2 electricity Active use of renewable energy 2022 2050 2035

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

> Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance





- Process for screening and assessing climate-related risks
- Process for managing climate-related risks
- Status of integration of climate-related risk management processes into comprehensive risk management

Process Flow for Climate-Related Risk Screening, Assessment, and Management

F-TECH has identified climate change risks and opportunities by considering requests and expectations from such stakeholders as customers and local communities. Identified risks and opportunities have been approved through the Company's climate change governance structure, and policies and targets have been set and reflected in operational and mid-term business plans.

We are managing climate change measures based on

the existing ISO 14001 management system. However, in order to establish a lower-carbon production system, some measures may go beyond the framework of ISO 14001, such as planned updates to large-scale and general-purpose equipment and the introduction of renewable energy. In cases where the redistribution and adjustment of management resources at the Companywide level are necessary, the Carbon Neutral Strategy Committee will discuss and consider effective measures for implementation.

Status of Integration with Other Management Systems Regarding Climate-Related Risk Management Processes

F-TECH has started integrating carbon neutrality into its ISO 14001 environmental management system (EMS) to effectively carry out environmentally friendly business



activities across Group companies and its supply chain. In addition, identified risks such as heavy rains have always been managed as part of the Company's business

always been managed as part of the Company's business continuity plan within its risk management framework. F-TECH is working on establishing a prompt response system and improving its ability to respond to accidents.

FY2024 CDP Evaluation Result



Rating

The Company has been actively addressing environmental challenges by deploying an environmental management system on a global scale. In the past, we conducted separate environmental communications with each automaker, but since FY2017 we have shifted to CDP's third-party evaluation framework, operated by an independent organization. In the FY2024 CDP assessment, we received a "B" rating, which is the second-highest class after "Leadership," indicating that our environmental management is being appropriately implemented. Going forward, we will continue to leverage CDP's external evaluations to further strengthen our environmental initiatives.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

> Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance





- Indicators for assessing climate-related risks and opportunities
- Scope 1, 2, and 3 greenhouse gas (GHG) emissions and associated risks
- O Targets and achievements in managing climate-related risks and opportunities

Long-Term Targets

As part of its efforts to realize a sustainable society, F-TECH is working to reduce its environmental impact by focusing on the following important environmental issues: "reduction of CO2 emissions," "environmental conservation, including air, water, and soil," "resource-saving and reduction of water consumption and waste," "management of chemical substances," "development of environmentally friendly products," and "biodiversity conservation."

Regarding the "reduction of CO₂ emissions," we are committed to our efforts to achieve carbon neutrality by 2050 across the entire supply chain, as part of our efforts to realize a decarbonized society.

Currently, our challenge is that the calculation of Scope 3 emissions is limited to Category 4, which covers shipping and transportation. Going forward, we will collaborate with customers and suppliers to conduct global investigations on other categories of Scope 3 emissions.

Carbon Neutrality Basic Policy

Together with society and our customers, we aim to realize a decarbonized society through our contribution to mobility.

2035

2050

We aim to achieve carbon neutrality for CO₂ emissions (Scope 1 and 2) in the manufacturing area by 2035.

We will take on the challenge of achieving net zero CO₂ emissions for all operations throughout supply chain.

Formulation of a Global Environmental Policy

To further the efforts of the entire F-TECH Group towards realizing a decarbonized society, we have revised our environmental policy, moving from a conventional domestic-oriented approach to a "Global Environmental Policy." The revised policy declares our commitment to carbon neutrality and incorporates clearer and more concise expressions that are easily understood by internal and external stakeholders.

Environmental Policy

Based on our company Mission Statement, "We will do our utmost to contribute to national society and build a prosperous future," we will continuously promote the following environmental improvement activities in all of our business activities.

1. Contribute to the realization of a sustainable society

- Promote carbon neutrality, focusing on CO₂ reduction throughout the lifecycle of corporate activities and products
- (2) Develop environmentally friendly products, such as lightweight products that help extend the cruising range of automobiles
- (3) Promote the sustainable use of natural resources such as water

2. Strive to reduce our environmental impact and prevent pollution.

- Implement improvement activities to achieve targets by utilizing the environmental management system
- (2) Prevent environmental pollution by complying with relevant environmental laws, regulations, and other requirements.
- (3) Cultivate human resources through environmental education for all people involved in our business activities and internal activities.

3. Strive to coexist in harmony with local communities.

- (1) Promote biodiversity conservation and social contribution activities
- (2) Appropriately disclose environmental information

Revised: September 8, 2023

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Progress toward Our 2030 Global Environmental Targets

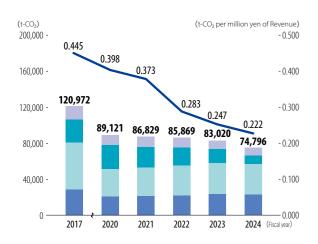
CO₂ Emissions Results

Total emissions Target | Reduce total CO2 emissions by 21.0% compared to FY2017 levels (Scope1/2) Result | The target was achieved, with a 38.2% reduction. Per unit | Target | Reduce unit CO2 emissions by 7.0% compared to FY2017 levels | Result | The target was achieved, with a 50.3% reduction.

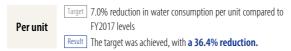
In FY2024, revenue increased by 0.4% year on year and were 24.3% higher than in FY2017. Meanwhile, the Group has been steadily reducing its Scope 1 and 2 CO₂ emissions through the introduction of low-CO₂ electricity in North America and



the operation of solar power generation systems at sites in China and Thailand. Groupwide initiatives in FY2024 resulted in 26 projects achieving a total CO_2 reduction effect of 2,401 tons. Going forward, CO_2 reduction efforts will need to encompass the entire supply chain, and we will implement global initiatives to reduce Scope 3 emissions as well.



Water Resource Usage Results



Water usage decreased by 7.2% (52,838 m³) year on year despite increased production. Most of the Group's water consumption is used in the painting process for product cleaning, surface



treatment, electrodeposition coating, and thermal steam. Due to the need to maintain water quality in the painting process and prevent adverse effects on products, the Group remains highly dependent on water. In FY2024, we implemented four initiatives, including water reuse in the painting process, achieving a reduction of 8,329 m³ in water consumption.



Waste Emissions Results



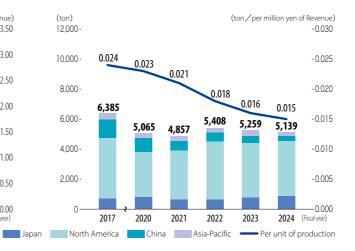
7.0% reduction in waste emissions per unit of production compared to FY2017

Result The target was achieved, with a 35.3% reduction.

Waste emissions decreased by 2.3% (120 t) year on year. By region, waste emissions were reduced by 209 t across North America, China, and the Asia-Pacific region. In FY2024, the



Group implemented nine reduction initiatives such as installing a new oil-water micro-separation tank in the degreasing process of the painting line to separate finer oil particles, thereby reducing the amount of waste oil. Through these efforts, we achieved an annual waste reduction effect of 21.7 t.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

> Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

To further strengthen its efforts to address climate change and contribute to a carbon-neutral society and mobility society, the Company launched its 15th Mid-Term Business Plan in the environmental field starting from 2023.

Outcomes of the Second Year of the 15th Mid-Term Business Plan (FY2023–FY2025) [Main measures] Target: F-TECH Group (6 sites in Japan, 14 overseas)

Enhancement Details	Period							
Ennancement Details		FY2023	FY2024	FY2025				
Reduction of CO2 emissions to achieve carbon neutrality by	Plan	18% improvement (compared to FY2017)	21% improvement (compared to FY2017)	24% improvement (compared to FY2017)				
	Achievement	30.7% improvement	38.2% improvement					
2050 (Scope 1 and 2)	Evaluation	0	0					

Enhancement Details		Period						
Elinancement Details		FY2023	FY2024	FY2025				
Reduction in CO2	Plan	6.0% improvement (compared to FY2017)	7.0% improvement (compared to FY2017)	8.0% improvement (compared to FY2017)				
emissions per unit of production (Scope 1 and 2)	Achievement	44.0% improvement	50.3% improvement					
(Scope Failu 2)	Evaluation	0	0					

^{○:}Target achieved×:Target not achieved

Results of the FY2024 Environment and Energy Plan (Non-Consolidated)

Theme		FY2024 Management Items	Results	Evaluation
1. Achieving carbon neutrality by 2050	Reduction of total CO ₂ emissions (Scope 1 and 2)	Reduction of CO₂ emissions by 21.0% or more compared with FY2017	9.6% reduction	×
2. Rationalization of energy	Improvement of CO ₂ emissions per unit of production (Scope 1 and 2)	3% improvement compared with FY2021 in all areas (Kuki, Kameyama, Haga) 97 points or less	82.2% 17.8% improvement	0
use	Reduction of CO ₂ emissions through measures	Reduction of 91.9 t-CO $_2$ or more (1.0% or more) compared with the 67th fiscal period	178t-CO ₂ reduction	0
3. Development of	Weight reduction of newly developed parts	Reduction of 5% or more compared to the previous year's model	8.48% reduction in next-generation EV parts	0
environmentally friendly products	Establishment of new technology and new products	At least one plan/proposal	- (*)	0
	Formulation of carbon neutrality implementation measures	Establishment of Scope 3 calculation standards	Completion of the Ministry of the Environment's calculation support project	0
4. Priority management	Establishment of product LCA-based CO₂ emission table	Building of model lines and formulation of a CO ₂ table; deployment to overseas sites	Planning to improve the accuracy of the CO ₂ table; surveys and site selection at overseas locations	0
items	Maintenance and enhancement of environmental management systems	Horizontal deployment of energy-saving best practices; strengthening the global environmental information-sharing system	Horizontal deployment of shared initiatives Review of the information-sharing system	0
		Establishment and promotion of supplier guidelines	Deployment of the F-TECH Family Supplier Guidelines Agreement rate: 344 companies / 405 companies (85%)	0
5. Fulfillment of social responsibility	Community engagement and contribution activities	Implementation of biodiversity activities/social contribution activities Implementation of at least one example at each site	Kuki 4 Kameyama 3 Haga 3	0

O:Target achieved X:Target not achieved * Not made public for reasons of confidentiality

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

> 15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



^{○:}Target achieved×:Target not achieved

FY2025 Environment and Energy Plan

In the third year of the 15th Mid-Term Business Plan, the FY2025 Environment and Energy Plan has been revised with higher target settings to advance the achievement of carbon neutrality. As a key management focus, we are conducting sustainability surveys with suppliers using questionnaires, analyzing issues within the supply chain, and working to establish and promote the adoption of supplier sustainability guidelines. In addition, to

achieve carbon neutrality, we are advancing initiatives such as incorporating product life cycle assessments (LCA), maintaining and strengthening environmental management systems, and formulating specific action plans. Effective measures will be quantitatively evaluated, and further improvements will be pursued.

FY2025 Environment and Energy Plan (Non-Consolidated)

1	Theme	FY2025 Management Items
1. Achieving carbon neutrality by 2050	Reduction of total CO ₂ emissions (Scope 1 and 2)	Reduction of CO₂ emissions by 24% or more compared with FY2017
2. Rationalization of energy use	Improvement in CO₂ emissions per unit of production (Scope 1 and 2)	4% improvement compared with FY2021 in all areas (Kuki, Kameyama, Haga)
2. Nationalization of energy use	Reduction of CO₂ emissions through measures	96 points or less Reduction of 91.9 t-CO ₂ or more (1.0% or more) compared with FY2021
	Weight reduction of newly developed parts	Reduction of 5% or more compared to the previous year's model
3. Development of environmentally friendly products	Establishment of new technology and new products	At least one plan/proposal
	Formulation of carbon neutrality implementation measures	Carbon neutral implementation strategies proposals and quantifications Collect Scope 3 emissions data
4. Priority management items	Establishment of product LCA-based CO ₂ emission table	Improving of the accuracy of the CO₂ table and establishing LCA tables for overseas products
	Maintenance and enhancement of environmental management systems	Promotion of Companywide environmental management initiatives
	Building a sustainable supply chain	Establishment and promotion of supplier guidelines
5. Fulfillment of social responsibility	Community engagement and contribution activities	Implementation of biodiversity activities/social contribution activities Implementation of at least one example at each site

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

> FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Material Flows FY2024 Results



Water resources 680,000 m



Energy

Electricity...... 194,650 MWh City gas....... 4,982,000 m Natural gas ... 2,142,000 m LPG......3,041 t

Gasoline 159 k& Diesel fuel128 kℓ Kerosene 11 k ℓ



Transportation

Gasoline Diesel fuel 1,321 kℓ

INPUT



Research & Development



Production



Stamping/Welding/Painting/ Assembly/Company cars

Shipping



Customers (Automakers)



End Users



OUTPUT



Waste **5,139** t

Of which, direct landfill977 t outside the Company



Scope 1 and 2 CO $_2$ emissions.......**75,245** t-CO $_2$ Scope 3 Cat.4 CO $_2$ emissions....... **3,534** t-CO $_2$

• CO₂ emissions under OUTPUTS are calculated by multiplying the energy consumption of the INPUTS by the CO₂ calculation method is based on the "Greenhouse Gas Emissions Calculation and Reporting Manual" of the Ministry of Economy, Trade and Industry and the Ministry of the Environment and "The Greenhouse Gas Protocol" of the WRI/WBCSD. • Domestic electricity is calculated based on the latest coefficient for each electric power company. • The data covers the period from April 2024 to March 2025.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global **Environmental Targets**

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

> Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



FY2024 F-TECH Environmental Accounting

We believe that accurately identifying, measuring, aggregating, and analyzing the amount of investment and cost related to environmental conservation is important not only for enhancing our current initiatives but also for fulfilling our accountability to stakeholders. Going forward, we will consider including overseas Group companies in these calculations to the extent possible.

Environmental Conservation Costs

Tho			

	Classification	Main Initiatives	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
5	(1) Pollution prevention cost	Prevention of air and water pollution	15,291	14,781	19,486	18,401	19,327	18,736
Cost in business are	(2) Global environmental protection costs	Capital investment for energy saving, management costs of CFC-containing equipment, and appropriate treatment costs	110,410	20,317	24,890	46,493	45,544	32,876
ness ar	(3) Resource recycling costs	Proper disposal costs of industrial waste	18,061	18,811	12,858	13,066	10,120	12,235
2		Subtotal	143,762	53,909	57,234	77,959	74,992	63,847
N	lanagement activity costs	ISO certification cost, CSR report cost, environmental measurement cost, etc.	9,003	6,786	7,268	9,321	9,199	11,470
R&D costs Research and dev		Research and development to reduce environmental impact	1,090,000	856,000	731,000	731,000	991,000	1,088,000
S	ocial activity costs	Participation in, donation to, and support of environmental conservation activities	2,151	1,920	1,795	1,625	1,955	1,680
	Total		1,244,917	918,615	797,297	819,905	1,077,146	1,164,997

Economic Benefits Associated with Environmental Protection Measures

(Thousands of yen)

Classification	Effects	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Income	Income from valuable resources	423,750	431,949	688,824	596,782	588,866	590,024
Cost saving	Cost savings from energy-saving activities	14,924	19,230	15,953	12,029	17,033	9,791
	Total	438,674	451,180	704,778	608,810	605,899	599,816

Environmental Conservation Effects

Classification	Environmental Performance Index	Unit	Amount Used in FY2019	Amount Used in FY2020	Amount Used in FY2021	Amount Used in FY2022	Amount Used in FY2023	Amount Used in FY2024	FY2024 Reduction by Measures
	Total energy consumption	GJ	254,007	231,264	225,165	216,122	244,386	274,240	4,624
	Electricity	GJ	194,906	176,067	172,142	165,622	186,989	191,028	4,318
Environmental conservation effects related to resources used in business activities	City gas	GJ	45,019	42,670	41,258	38,977	43,902	44,090	306
	LPG	GJ	14,082	12,497	11,696	11,481	13,453	14,647	0
	Water resources	m³	75,870	76,858	61,629	60,893	58,888	60,982	0
	CO ₂ emissions	t-CO ₂	12,349	11,233	9,590	9,378	10,093	11,505	177
Environmental conservation effects related to environmental impact and waste emitted from	In-house carbon value	Thousand yen/t-CO ₂	336	49	65	83	133	162	_
business activities	Specific chemical emissions	ton	0.9	0.9	1.7	0.4	0.6	0.4	0
	Emissions of waste and other items	ton	414	444	404	428	541	519	0
Emissions of environmentally hazardous substances from transportation	CO ₂ emissions	t-CO ₂	2,208	1,680	1,567	1,614	1,841	1,699	18

Notes: The calorific value used in the calculation are based on the GHG emissions calculation, reporting, and publication system based on the Act on Promotion of Global Warming Countermeasures in Japan Our environmental accounting is in accordance with the "Environmental Accounting Guidelines" of the Ministry of the Environment, and only covers activities in Japan.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

> FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Aiming to Realize a Sustainable Supply Chain

Aiming for Fair and Transparent Transactions

F-TECH Supplier Sustainability Guidelines

The F-TECH Group has established the F-TECH Supplier Sustainability Guidelines to promote environmentally

conscious activities, build a sustainable society, and ensure fair and transparent transactions. These guidelines define our approach to conducting fair, equitable, and highly transparent transactions that take into account environmental, economic, and social aspects.



Sustainable Procurement of Materials

To ensure fair, impartial, and highly transparent transactions, F-TECH provides education to its purchasing staff on responsible sourcing, including topics such as anti-corruption, prohibition of conflicts of interest, antitrust laws, and conflict minerals, in accordance with the laws and regulations of each country.



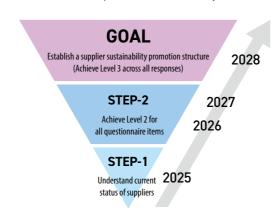






Implementation of Supplier Sustainability Assessments

Sustainable material procurement requires not only our own effort but also collective action across the entire supply chain. In March 2025, we conducted a questionnaire survey of 67 suppliers, covering areas such as compliance, environment, labor/human rights, and more. This survey aims to assess each company's sustainability efforts and identify challenges. Based on the results, we aim to establish a full-scale promotion structure by FY2028.



Management of Chemical Substances Contained in Products

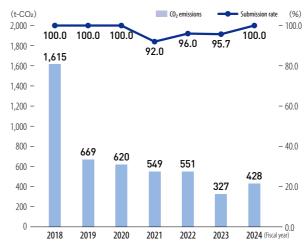
To address the regulation of chemicals in its products, the F-TECH Group has established a management system and conducts IMDS* surveys. The use of hazardous substances regulated by law are prohibited under the "F-TECH Product Chemical Substance Management Standards." We also work in collaboration with our business partners to eliminate targeted substances and provide safe products.

*IMDS : International Material Data System (a material database for the automotive industry)

Understanding Greenhouse Gas Emissions in the Supply Chain

Domestic Supplier Greenhouse Gas Emissions (FY2024 Results)

CO₂ Emissions from Suppliers to F-TECH



Responsible Mineral Procurement

We support the RMI*1 and promote "Responsible Mineral Procurement" using the CMRT*2 and EMRT*3 to avoid the use of conflict minerals that may involve risks or illicit activities such as child labor, human rights abuses, poor working conditions, environmental destruction, and corruption associated with mineral sourcing from conflict areas or high-risk countries. We require suppliers to comply with the "F-TECH Supplier Sustainability Guidelines" to prevent inappropriate mineral use.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

> Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



^{*1} RMI: Responsible Minerals Initiative

^{*2} CMRT: Conflict Minerals Reporting Template

^{*3} EMRT: Extended Minerals Reporting Template

Regional Environmental Conference in FY2024

Since 2009, the F-TECH Group has consistently held the "F-TECH Group Global Environmental Conference." In recent years, we have been actively disseminating information across regions to further expand the Sustainability Promotion Structure globally and work toward the realization of carbon neutrality.

In FY2024, regional environmental conferences were held online in North America, Asia, and China. At this year's Group Environmental Conference, we reviewed and reported on the implementation status and outcomes of initiatives shared over the past five years. Of the 630 initiatives surveyed, 207 have been fully implemented, 148 are currently in progress partially implemented, and 173 remain unimplemented, indicating that approximately 70% of the initiatives are being actively pursued within the Group.

Through implementing these initiatives, the Group achieved reductions of approximately 30,966 tons of CO_2 emissions, 88,293 tons of waste, and 2,503 m³ of water consumption. In addition, energy costs were reduced by approximately 40,400 million, resulting in significant cost savings.

We believe these outcomes demonstrate a substantial contribution by the F-TECH Group to both reducing environmental impact and delivering economic benefits across the organization.

Status of Horizontal Deployment of Shared Initiatives

Number of initiatives surveyed (number of initiatives × number of overseas sites)	Completed (number of initiatives × number of sites completed)	In progress (number of initiatives × number of sites in progress)	Not implemented (number of initiatives × number of sites not implemented)	Number of sites without applicable equipment (number of initiatives × number of sites without equipment)
630	207	148	173	102
Deployment ratio (sites with applicable equipment and eligible for deployment)	39%	28%	33%	Not applicable

Effects of Horizontal Deployment of Shared Initiatives

Dep	Deployment effect at completed sites (initiative effect × number of completed sites)							
CO₂ reduction (t)	CO ₂ reduction (t) Waste reduction (t) Water usage reduction (m²) Cost reduction (thousand yen)							
30,966	88,293	2,503	274,473					

In FY2024, the Sustainability Promotion Department selected outstanding initiatives in each category through voting.

Energy saving

F-TECH Wuhan Inc. (FTW / Hubei, China)

Introduce solar power generation equipment under a 20-year PPA model



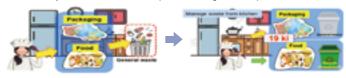


Generation Capacity: 1.88 MW | Generation Output: 1,807 MWh/Year | CO₂ Reduction: 1,346.9 tons/Year

aste Re

F-TECH MFG. (THAILAND) LTD. (FMTL / Ayutthaya, Thailand)

Recycle as much food waste as possible through waste separation in the cafeteria



No investment required Waste reduction: 2.59 t/year Cost reduction: 10,463 THB/year

Water resources

F&P Mfg., Inc. (FPC/ Ontario, Canada)

Reuse of RO-treated water within the plant premises





Reusing RO-treated water as toilet flushing water, making it easy to horizontally deploy to other sites

Cost: \$18,000 Water reduction: 2,385 m³ Cost savings: \$15,509/year

RO-treated water

Toilet use

F&P Mfg., Inc. (FPC/ Ontario, C

Bee protection activities on plant premises





Installed beehives in unused areas within the FPC plant site to promote and protect biodiversity.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

> Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance





Kuki Plant

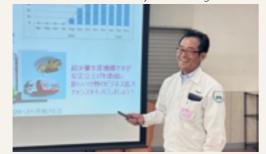
Resilience to Environmental Change and Human Strength Driven by Sustainability





Due to its long history, Kuki Plant faces the significant challenge of aging facilities. Since its establishment, the plant has primarily supported production for the Saitama Factory of Honda Motor Co., Ltd., but as F-TECH's development and production capabilities have gained wide recognition in the automotive industry, we have earned the trust of Toyota Motor Corporation and Suzuki Motor Corporation, thereby expanding new business opportunities. Even in an environment where we can no longer rely on the high production volumes that once supported sales, we continue striving to generate even one more yen of profit by never giving up, thinking hard, being creative, and never ceasing to devise improvements. The thinking skills, management capabilities, and technical expertise cultivated through these efforts are being leveraged in collaboration with our overseas sites. By confronting the

unique challenges of Kuki Plant and building capabilities through this process, we continue our daily challenge of forging robust strength that can withstand environmental changes.





Kuki Plant General Manager

Strengthening Human Potential through the Creation of a Sustainable Workplace

When considering what sustainability means for a company, we have reached the conclusion that it is not something special that can be achieved simply by doing one particular thing. Rather, it is about ensuring that every element related to daily work in the workplace—including the Company's direction, employee's mindset and values, the vision being pursued, human relationships, the working environment—are treated with care and respect, thereby creating a company where people want to continue working. It cannot be achieved by the efforts of any single individual; it requires each and every individual to act with a sense of ownership. For example, improvements in safety and morality. By thinking and acting independently, human potential is refined, and we believe this becomes an invaluable asset for F-TECH.





INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

The F-TECH Group's Global Initiatives

Governance



Global Initiatives

Standing Alongside Local Communities, Shining Worldwide.

Accurately understanding the characteristics and needs of each region, we take concrete steps for the environment and society, building a solid foundation for value creation.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



The F-TECH Group's Global Initiatives

The F-TECH Group, which operates globally, is committed to protecting the global environment and actively contributing to local communities, with each site carrying out its own unique initiatives. Looking ahead to a sustainable future, we will continue these efforts.



Kuki Plant (Kuki, Saitama Prefecture)

CO₂ Reduction Activities for Sustainable Plant Operation

The annealing equipment at the Kuki Plant is specialized equipment used to remove residual stress from products (torsion beams). Given that heating consumes substantial electricity, cost and environmental impact posed significant challenges. After reviewing the temperature settings inside

the annealing furnace and conducting quality evaluations, the plant succeeded in reducing annual electricity consumption by approximately 65,186 kWh and CO₂ emissions by 24,640 kg. Going forward, we will continue these efforts to reduce CO₂ emissions by further optimizing furnace temperatures.



Kameyama Plant (Kameyama, Mie Prefecture)

Environmental Awareness Activities Connecting the Community and the Future

In June 2025, a panel exhibition titled "Eco-Friendly Future Created by Kameyama Companies," introducing environmental initiatives, was held at the Kameyama City Library under the sponsorship of Kameyama City, and our company also set up a booth. The booth featured a company overview video and examples of our environmental initiatives. Given the library's location near the station, many students visited the exhibition. In addition to promoting eco-friendly initiatives within the local community, we also hope that some of the children who become interested in our company will join us in the future.



Haga Technical Center (Haga-cho, Haga-gun, Tochigi Prefecture)

Striving to Become a Model Workplace for Safety and Health

On October 2, 2024, Haga Technical Center received the "Tochigi Labor Bureau Director's Award for Safety and Health" at the FY2024 Tochigi Regional Industrial Health Conference. This award was given to 12 workplaces in the prefecture that were recognized for "actively promoting occupational safety and health activities through labor-management cooperation, maintaining excellent safety and health standards, and serving as a model for improvement efforts." We will continue working toward not only achieving zero workplace accidents but also creating an even safer and more comfortable working environment for everyone.





Fukuda Engineering Co., Ltd. (FEG / Kazo, Saitama Prefecture)

Promoting Diverse Work Styles and Creating a Workplace Where All Employees Can Shine

Fukuda Engineering was certified as a "Platinum Company for Practicing Diverse Work Styles" by Saitama Prefecture in August 2024.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



The company has actively introduced initiatives such as a flextime system and the promotion of annual paid leave usage, achieving a 100% carryover paid leave utilization rate for all employees in FY2024. In addition, male employees are taking childcare leave, supporting the balance between work and parenting. Going

forward, we will continue to actively promote not only ease of work but also job satisfaction, the active participation of diverse talents, and productivity improvement.

Kyushu F-TECH (QFT / Yamaga, Kumamoto Prefecture)

Connecting with the Community and Inspiring the Next Generation through Factory Tours

Kyushu F-TECH annually hosts factory visits for elementary and junior high school students in Yamaga City as part of the company tour program organized by the Yamaga City Corporate Liaison Council. The program aims to encourage young people to "stay in or return to" their hometown by giving them the opportunity to learn about local companies.

In FY2024, 42 fourth-grade students from Daido

Elementary School visited the plant in June. The powerful sound of the 500-ton press machines and the dynamic movement of the welding robots fascinated the



curious students, providing them with an engaging and memorable experience.

Reterra Inc. (Ogano, Chichibu, Saitama Prefecture)

Striving to Be a Factory Loved by the Community — Initiatives as a "Sainokuni Factory"

In October 2024, the Reterra Chichibu Plant was designated as a "Sainokuni Factory" by the Governor of Saitama Prefecture. This program recognizes factories that contribute to their communities by maintaining a clean environment, complying with pollution prevention regulations, and engaging in local initiatives. In addition to thorough



legal compliance and pollution prevention, the plant actively contributes to the community through activities such as supporting fire drills, opening its parking lot during local festivals, and promoting traffic safety.

North America **

F&P America Mfg., Inc. (FPA / Ohio, United States)

Supporting the Development of Future Babysitters through Certification Training

To contribute to the local community, FPA held babysitter training for youth, providing practical skills such as first aid, CPR, and AED use. Participants earned certification from the American Red Cross. This year, two young trainees completed the program, gaining the skills necessary to work safely and confidently as babysitters. Through this initiative, the company supports youth independence and helps create a safer community.





F&P Georgia, A Division of F&P America Mfg., Inc. (FPG / Georgia, United States)

23 Years of Biodiversity and Coexistence with the Local Environment

In 2002, during the plant's open house, koi fish were released into a pond fed by rainwater on the factory

grounds by Mr. and Mrs. Jiroku Fukuda. This year, a survey confirmed the presence of koi believed to be the great-great-grandchildren of those originally released. Canada geese also continue to build nests near the monument at the plant's entrance each spring. These findings show that over the past 23 years, the plant has successfully maintained a healthy ecosystem that supports biodiversity.





INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



55

F.TECH R&D NORTH AMERICA INC. (RDNA / Ohio, United States)

Preserving History and Supporting the Local Community

In the summer of 2024, RDNA donated to the Troy Historic Preservation Alliance (THPA), a nonprofit organization

dedicated to preserving historic sites in Troy, Ohio. The donation supported the restoration of the Old Miami County Courthouse, built in the early 1840s and damaged by a tornado in January 2020. In addition, following the severe hurricane season of 2024, in October the company encouraged employees to donate to the American Red Cross and matched their contributions through a matching gift program.

F&P Mfg., Inc. (FPC/ Ontario, Canada)

Strengthening Community Bonds through Honeybee Conservation



F&P Mfg., Inc collaborates with Toronto Bee Rescue to protect honeybees and preserve biodiversity by maintaining 24 beehives on its grounds. In September 2024, the company harvested approximately 500 kg of rare buckwheat honey, known for its high antioxidant content and health benefits. for

the first time. Plans are underway to offer the honey for sale and as gifts. To celebrate the harvest, F&P held a label design contest for employees and their families, with each participant receiving a jar of the freshly collected honey.

DYNA-MIG, A Division of F&P Mfg., Inc. (DM / Ontario, Canada)

Making a Difference through Employee-Led Community Support

For the past 21 years, DYNA-MIG has raised funds for the United Way of Perth-Huron, an organization supporting those



facing challenges such as low income, housing insecurity, mental health issues, and food insecurity, while also promoting social inclusion, counseling access, and transportation assistance. In this year's campaign, 69 employees donated a total of \$9,431, which DYNA-MIG matched, resulting in a combined contribution of \$18,862.

F&P MFG DE MEXICO S.A. DE CV. (FPMX / Guanajuato, Mexico)

Environmental Protection and Safety Awareness in Partnership with the Community

FPMX promotes environmental conservation, safety, and community contribution through its CSR activities while fostering employee awareness. In 2024, the company was recognized by the State of Guanajuato for its

environmental improvement efforts in May, held family-participation events encouraging the writing of safety pledges, organized cleanups in the Carmen district in June, hosted an open house with an environmental lecture for families in August, joined the Irapuato Clean Air Campaign in September, held a Safety Week with lectures in November, and carried out forest cleanup activities.





F.E.G. DE QUERETARO S.A. DE C.V. (FEGQ / Querétaro, Mexico)

New Initiatives for Sustainable Development

At the beginning of the year, FEGQ was invited by the Ministry of Sustainable Development of the State of Querétaro to join the "ATLAS Project," an initiative aimed at

strengthening climate change mitigation and disaster risk management. FEGQ contributed by submitting essential organizational and operational information to the ATLAS project office, supporting its core pillars of "understanding," "collaboration," and "implementation."



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



56

China +B

F-TECH Zhongshan Inc. (FTZ / Guangdong, China)

Enhancing Sustainability through Waste Oil Reduction, Emission Control, and Employee Education

FTZ actively advances environmental improvement and employee awareness to help build a sustainable society. In the painting process, the installation of an additional in-house secondary oil—water separator reduced annual waste oil by approximately 4 tons. Boiler exhaust emissions were also improved by upgrading equipment and adding secondary combustion treatment, achieving about a 45% reduction in nitrogen oxides (NOx). In September 2024, FTZ conducted sustainability training for employees (participation rate: 94%), raising awareness of environmental protection and human rights.

F-TECH Wuhan Inc. (FTW / Hubei, China)

Solar Power Installation Achieving Annual Cost Savings of RMB 146,000

On November 13, 2024, FTW's new solar power generation system was successfully connected to China's national power grid and officially began operation. This project was fully funded and installed by Xinhua Group, requiring no capital investment from FTW. Solar panels were installed on the press plant, mold warehouse, assembly shipping area, offices, cafeteria, and parking lot. With a total capacity of

1.88 MW and an average annual generation of 1.8673 million kWh, the system covers about 20% of FTW's total electricity demand. It is expected to reduce annual CO_2 emissions by 1,226.85 tons and cut electricity costs by RMB 146,000 per year.



F-tech R&D (Guangzhou) Inc. (FRDCH / Guangdong, China)

Promoting Disaster Preparedness and Environmental Awareness in Partnership with the Local Community

In June and November 2024, FRDCH participated in fire drills organized by the building management company, where employees reviewed evacuation routes and received instruction from firefighters on how to act in emergencies, strengthening disaster preparedness. In March 2025, with the support of the building management company, FRDCH organized a community cleanup around

its office building. Employees used provided cleaning tools while simultaneously confirming evacuation routes and assembly points, raising both environmental awareness and disaster readiness.





India Steel Summit Private Limited (ISS / Uttar Pradesh, India)

Supporting Educational Infrastructure for the Next Generation

As part of its CSR activities, ISS donated to the NGO Pahal to support public elementary schools in Tilpata and Jaitpur, Greater Noida, Uttar Pradesh. This initiative provided 10 smart boards, 9 tables, 15 chairs, and 3 cabinets, along with decorative Bala Painting to beautify the school building and improve the learning environment. These efforts contribute to creating engaging, inspiring classrooms that foster children's motivation to learn.





F.tech R & D Philippines Inc. (FRDP / Laguna, Philippines)

Building a Harmonious Society that Connects People and Nature

In 2024, FRDP focused its CSR efforts on education, the environment, and community welfare. At Roma Elementary School in Laguna, the company supported the start of the school year by donating learning materials to 33 third-

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



grade students. In Siniloan, FRDP partnered with local organizations to plant 1,500 tree saplings, contributing to forest restoration and environmental protection. The company also visited Bahay ni Maria in Calamba City, donating gifts to the elderly and children with disabilities while fostering meaningful interaction. FRDP remains committed to advancing sustainable community development.







F-TECH PHILIPPINES MFG., INC. (FPMI / Laguna, Philippines)

Continuous Training and Excellence to Ensure Community Safety

On March 20, 2025, the Laguna Technopark Association, to which FPMI belongs, hosted a firefighting skills competition. This event evaluated and improved participating companies' fire brigades through simulated scenarios, strengthening real-world emergency response

capabilities. FPMI's firefighting team earned the top honor as the "Community Fire Eradication Squad" and took second place in the "Flame Showdown." These achievements demonstrate the team's exceptional skill and collaboration.

FPMI is proud of the high level of preparedness its fire brigade has achieved.



F-TECH MFG. (THAILAND) LTD. (FMTL / Ayutthaya, Thailand)

Supporting the Health and Fulfillment of Local Seniors

Aligned with the F-TECH Group's action guideline of "community engagement," FMTL carried out community contribution activities at a welfare center for the elderly in Ayutthaya Province. Programs included self-care workshops, recreational activities, and the donation of daily necessities for 60 seniors. The company also helped develop the center's vegetable gardens and donated seeds, enabling elderly residents to grow pesticide-free vegetables at home for health, enjoyment, and potential extra income.





PT. F.TECH INDONESIA (FTI / Karawang, Indonesia)

ISO 14001:2015 Certification and Sustainable Community Engagement

FTI continues to contribute to the local living environment by participating in cultural and environmental activities. This year, the company joined the traditional Qurban festival by donating two goats to local residents and providing school bags and stationery to 50 children from a nearby orphanage. With environmental awareness and regulations advancing in Indonesia, FTI actively participates in industrial park environmental seminars. After delays caused by the COVID-19 pandemic, the company successfully achieved ISO 14001:2015 certification over the past year, strengthening employee awareness of

environmental protection and reinforcing its commitment to being a company that benefits the local community.





INDEX

Introduction

Value Creation Story

Value Creation Strategy

Human Capital Strategy

Human Capital Development Initiatives

Occupational Health and Safety Initiatives

Creating a Comfortable Working Environment

Building Work Fulfillment as a Team

Our Connection to the Local Community

Global Activities

Information Disclosure Based on TCFD Recommendations

Progress toward Our 2030 Global Environmental Targets

15th Mid-Term Business Plan/FY2024 Environment and Energy Plan and Implementation Status

FY2025 Environment and Energy Plan

Material Flow

FY2024 F-TECH Environmental Accounting

Aiming to Realize a Sustainable Supply Chain

Regional Environmental Conference in FY2024

Kuki Plant: Resilience to Environmental Change and Human Strength Driven by Sustainability

> The F-TECH Group's Global Initiatives

Governance



Corporate Governance System

Board of Directors

The Board of Directors of the Company consists of five directors, including two outside directors, and serves as the primary Company's management decision-making body, making decisions on important business operations and statutory matters, as well as supervising the execution of business operations. We have introduced an executive officer system to separate management supervision and business execution functions to strengthen the supervisory function of the Board of Directors and speed up business execution.

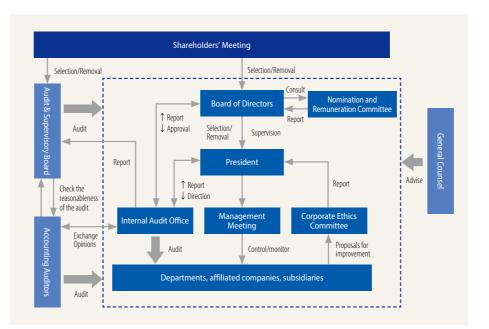
In addition, to enhance the objective monitoring of business operations, F-TECH has appointed two highly independent outside directors, whose external viewpoints are actively incorporated into management by receiving opinions and suggestions from multiple perspectives. Moreover, the directors' terms of office are limited to one year to facilitate management's ability to respond proactively and flexibly to changes in the social and business environment

Enhancing the Effectiveness of the Board of Directors

Based on statutory matters requiring the Board approval, the Board of Directors deliberates thoroughly and makes decisions on key investments, strategies, and other issues that significantly influence the Company's management direction. For example, significant capital expenditures that have a major impact on the future of the F-TECH Group, the initiation of transactions with new business partners that require careful consideration in terms of profitability and risk, and new overseas expansions are all subject to comprehensive discussions, taking into account the opinions of outside directors. In addition, to further enhance the supervisory function of the Board of Directors, all members conduct a self-evaluation to identify issues to be addressed by the Board. Based on these findings, efforts are made to improve effectiveness, such as streamlining agenda items to secure sufficient time for deliberation on important matters.

Management Structure of Overseas Group Companies

With respect to the execution of operations and important matters at Group companies, prior approval or reporting is required in accordance with the Regulations on the Management of



Affiliated Companies. In addition, for overseas Group companies, which account for a significant portion of the Group's revenue, directors who also serve as senior managing executive officers, together with the director in charge of the head office Administration Division and other relevant officers, attend the management meetings of each overseas Group company via a web conferencing system, in principle on a monthly basis. This structure enables the Company to quickly grasp changes in business performance, including revenue and profitability, and to discuss necessary management issues as appropriate.

Nomination and Remuneration Committee

To enhance the fairness and objectivity of the processes for the nomination of the representative director, directors, and executive officers, as well as for the evaluation and determination of their remuneration, and thereby strengthen the Board of Directors' governance framework, the Company has established the voluntary Nomination and Remuneration Committee, a consultative body in which outside directors constitute the

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

> Corporate Governance Structure

Sustainability Promotion Structure

Directors and Auditors

Messages from Outside Directors and Full-Time Auditors



majority. This committee, in response to consultations from the Board of Directors, deliberates on the nomination and remuneration of directors and executive officers based on external third-party surveys, such as the Corporate Executive Compensation Survey, and submits its recommendations to the Board of Directors. The recommendations of the Nomination and Compensation Committee are duly respected in the Board's deliberations.

Compliance Initiatives

The Company has established the F-TECH Philosophy, which is founded on the Group's Mission Statement, Corporate Philosophy, and Basic Policy on Sustainability. Within this philosophy, "Our Action Guidelines" clearly sets out principles such as compliance with laws and respect for human rights, and promotes behavior based on sound social ethics. In line with these principles, the Company has established Compliance Regulations to ensure adherence to domestic and international laws and internal rules, prevent human rights violations and harassment, and sever ties with antisocial forces. In addition, we work to raise compliance awareness across the Group by regularly distributing email newsletters and conducting classroom training sessions.

We have also set up Corporate Ethics Kaizen Desk, which allows employees to seek advice or report issues anonymously, thereby creating an environment where concerns can be raised freely. When an issue is identified, the Corporate Ethics Committee is convened to ensure the protection of the whistleblower, investigate the matter, consider countermeasures, and issue improvement instructions to the relevant departments. Our overseas subsidiaries have also introduced suggestion boxes and reporting channels to foster an open and transparent workplace environment.

Initiatives Addressing Risk

The Company has established Risk Management Regulations to address increasingly diverse risks and to mitigate and prevent them daily. The Risk Management Committee, headed by the general manager of the Corporate Planning Office as risk management officer and composed of the heads of administrative and other divisions, examines specific countermeasures by incorporating the specialized insights of each division.

In the event of a large-scale disaster or other unforeseen circumstance, an Emergency

Response Headquarters is immediately established under the president, in accordance with the business continuity plan (BCP). This structure enables the Company to promptly assess the situation, take action to maintain business continuity, thereby fulfilling its responsibility to ensure a stable supply to customers. To enable swift initial response, the Company has formalized the necessary action standards into manuals and is working to strengthen the self-reliance of every employee. In addition, efforts are focused on protecting IT data and ensuring network security through the use of data centers, stockpiling food and emergency supplies, providing employees with disaster preparedness education, and regular safety confirmation drills.

Information Security Initiatives

We distribute the Information Security Guidelines to all employees and ensure thorough awareness and compliance. Minutes of the Board of Directors and other important meetings are properly managed in accordance with the Regulations for the Management of Documents and Forms, Confidentiality Regulations, and Information System Management Regulations. Additionally, various contracts are strictly managed and supervised in accordance with the Contract Management Regulations.

In FY2024, we strengthened inter-site backup systems to prepare for potential security incidents by implementing primary backups at each site and introducing secondary backups at remote locations. Restore tests confirmed that up to six months' worth of data can be reliably recovered.

We also reviewed the rules for taking company PCs and mobile phones off-site. We verified that disk encryption and remote wipe functions are enabled on all devices, thereby strengthening hardware-level measures and reducing the risk of information leakage in the event of loss or theft.

Looking ahead to FY2025, we are focusing on enhancing security at family sites, assessing the current situation and promoting initiatives to raise the overall security level of the entire Group.



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

> Corporate Governance Structure

Sustainability Promotion Structure

Directors and Auditors

Messages from Outside Directors and Full-Time Auditors



Sustainability Promotion Structure

Our Perspective on Sustainability and Related Initiatives

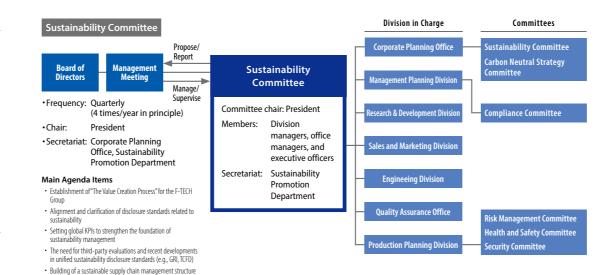
The Company is committed to realizing a society with sustainable mobility by addressing social issues and enhancing corporate value through its business activities. To respond to a rapidly changing business environment—driven by factors such as climate change and population decline—we are actively promoting sustainability initiatives and strengthening the quality and transparency of information disclosure. In the current fiscal year, we will further reinforce our strategic initiatives, guided by our mission statement, corporate philosophy, and our action guidelines, while keeping a close eye on global trends to achieve sustainable growth together with society.

Governance

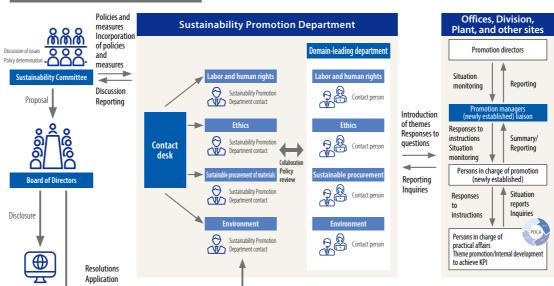
We have established a Companywide governance structure with the Sustainability Committee at its core. The committee is chaired by the president and CEO, and its members include heads of divisions and departments as well as executive officers, with the Sustainability Promotion Department serving as the secretariat. The committee meets four times a year to report and discuss sustainability strategies and key issues. Identified issues and recommendations are first reviewed by the Management Meeting and then deliberated by the Board of Directors, which holds ultimate responsibility for decision-making and oversight. The committee also works in coordination with other specialized committees to maintain a consistent governance structure, thereby promoting sustainability initiatives that fulfill the Company's social responsibilities across the entire organization.

Global Promotion Structure

Under a global structure, the Company has appointed sustainability promotion leaders at each site and clearly defined their respective roles to address sustainability challenges. By collaborating closely with the Sustainability Promotion Department in Japan to share information and resolve issues, the Company aims to further advance sustainability-driven management across the entire Group.



Sustainability Global Promotion Structure



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Corporate Governance Structure

> Sustainability Promotion Structure

Directors and Auditors

Messages from Outside Directors and Full-Time Auditors



Directors and Auditors Directors



Yuichi Fukuda President & CFO

Significant Concurrent Positions outside the Company None

Career Summary

Dec. 1994 Joined the Company

Jun. 2004 Director

Jun. 2008 Director & Senior Managing Executive Officer

Mar. 2010 Division Manager of Management Planning Division

Apr. 2012 Chief Sales & Marketing Officer and Regional CEO of North

Apr. 2013 Chief Domestic Business Officer

Apr. 2014 Director & Executive Vice President

Apr. 2015 President & CEO (current position)

Dec. 2021 Member of Nomination and Remuneration Committee (current

Reason for Appointment -

Yuichi Fukuda has diverse experience and broad knowledge gained through his service as a president of domestic and overseas sites and as a person responsible for overseas business area, production planning area and management planning area. Since becoming President & CEO in April 2015, he has adequately performed his duties in critical management decision-making and supervising business execution with strong leadership and decisiveness leveraging his experience and expertise with strong leadership and decisive judgment.



Kei Wakabayashi

Director & Senior Operating Officer Division Manager, Management Planning Division

Significant Concurrent Positions Outside the Company None

Career Summary

Apr. 1990 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)

Apr. 2021 General Manager of Kawagoe Branch, Saitama Resona Bank.

Oct. 2024 Joined the Company as Assistant Division Manager of Management Planning Division

Apr. 2025 Senior Operating Officer

Apr. 2025 Division Manager of Management Planning Division (current

Jun. 2025 Director & Senior Operating Officer (current position)

Reason for Appointment

Kei Wakabayashi has extensive experience in important administrative affairs as the person responsible for the Company's management functions, consolidates oversight of the Group's accounting, finance, human resources and labor management, governance, and compliance. Leveraging his abundant experience and advanced expertise, he is appropriately fulfilling his role as a Director in critical management decision-making and the supervision of business execution.



Hajime Fujitaki

Director & Senior Managing Executive Officer Global Chief SED Officer Regional CEO. North America

Significant Concurrent Positions outside the Company None

Career Summary

Aug. 1981 Joined the Company

Jun. 2004 Senior Operating Officer

May. 2008 President of F&P America Mfg. Inc.

Apr. 2012 Division Manager of Quality Assurance Division

Jun. 2012 Director& Managing Executive Officer

Apr. 2013 Division Manager of Production Planning Division

Apr. 2016 Division Manager of Sales & Marketing Division

Apr. 2017 Division Manager of Sales & Marketing Division and Regional CEO of Asia

Apr. 2020 Director & Senior Managing Executive Officer (current position) Apr. 2020 Global Chief SED Officer (current position)

Apr. 2025 Regional CEO of North America (current position)

Reason for Appointment

Hajime Fujitaki has a wide range of experience as a responsible person including the supervision of the development, sales and marketing, and production planning areas, as well as the service as a president of overseas sites and other leadership positions. He currently serves as Global Chief SED Officer and Regional CEO of North America. Leveraging his abundant experience and in-depth knowledge in the Company group's management cultivated over his career, he has properly performed his duties in critical management decision-making and supervising business execution as a Director

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Corporate Governance Structure Sustainability Promotion Structure

> Directors and Auditors

Messages from Outside Directors and Full-Time Auditors





Nobuhiro Koga Outside Director

Significant Concurrent Positions outside the Company

Professor, Faculty of Fundamental Engineering, Nippon Institute of Technology Chairman, Industry-University Cooperation Center, Nippon Institute of Technology Director, Association of Saishin Collabo Sangakukan industry-academicgovernment collaboration

Career Summary

Apr. 1996 Associate Professor, Faculty of Fundamental Engineering (formerly Department of Mechanical Engineering), Nippon Institute of Technology

Apr. 2002 Professor, Faculty of Fundamental Engineering (formerly Department of Mechanical Engineering), Nippon Institute of Technology (current position)

Apr. 2013 Chairman, Industry-University Cooperation and Entrepreneurial Education Center, Nippon Institute of Technology (current

May. 2016 Director, Association of Saishin Collabo Sangakukan industry-academic-government collaboration

Jun. 2018 Outside Director of the Company (current position)

Dec. 2021 Member of Nomination and Remuneration Committee

Jan. 2025 Special advisor, Public Interest Incorporated Association of Saishin Collabo Sangakukan (current position)

Jun. 2025 Chairperson of the Nomination and Remuneration Committee (current position)

Reason for Appointment -

Nobuhiro Koga possesses abundant knowledge, experience, and an objective perspective as a university professor specializing in mechanical engineering, and he is appropriately fulfilling his role in supervising the execution of duties by the Directors of the Company, among other duties.

In addition, as the Chairperson of the Nomination and Remuneration Committee, he deliberates on matters such as the election and dismissal of officers and the remuneration system for officers, contributing to the establishment of a highly objective and transparent governance structure.



Teruyo Oyamada Outside Director

Representative attorney, Oyamada Law Office

Apr. 1998 Joined Mori Hamada & Matsumoto

(current position)

(current position)

Significant Concurrent Positions outside the Company

Civil Mediation Commissioner of the Tokyo Summary Court

Federation of Bar Associations

Disputes, Ministry of Land, Infrastructure, Transport and Tourism

Special member of the Central Committee for Adjustment of Construction Work

Apr. 1998 Registered as an attorney at law (Daini Tokyo Bar Association)

Oct. 2005 Representative attorney, Oyamada Law Office (current position)

Apr. 2016 Civil Mediation Commissioner of the Tokyo Summary Court

Nov. 2016 Special member of the Central Committee for Adjustment of

Jun. 2025 Member of the Nomination and Remuneration Committee

Transport and Tourism (current position)

Jun. 2025 Outside Director of the Company (current position)

Construction Work Disputes, Ministry of Land, Infrastructure,

Apr. 2009 Investigator of Disciplinary Enforcement Committee, Japan

Value Creation Story

Introduction

Value Creation Strategy

Governance

INDEX

Corporate Governance Structure Sustainability Promotion Structure

> Directors and Auditors

Messages from Outside Directors and Full-Time Auditors

Information and Data

Reason for Appointment

Teruyo Oyamada leverages her extensive practical experience as an attorney at law to supervise all aspects of the execution of duties as an outside Director, with a particular focus on legal affairs, risk management, governance, and sustainability, while also overseeing the Company's management from an independent standpoint.

In addition, as a member of the Nomination and Remuneration Committee, she deliberates on matters such as the election and dismissal of officers and the remuneration system for officers, contributing to the establishment of a highly objective and transparent governance structure.

Skill Matrix

Name/Item	Gender	Independence	Corporate Management	Technology/Development	Production/Engineering	Sales/Procurement	Finance/Accounting	Legal/Risk Control	Governance/Sustainability	Academic experience	Overseas experience
Yuichi Fukuda	Male		•		•	•	•				•
Hajime Fujitaki	Male			•	•	•					•
Kei Wakabayashi	Male						•	•	•		•
Nobuhiro Koga	Male	Outside/ independent		•						Engineering	
Teruyo Oyamada	Female	Outside/ independent						•	•		



Directors and Auditors Auditors



Michiaki Nakanishi Standing Statutory auditor

Significant Concurrent Positions outside the Company

Career Summary

Apr. 1985 Joined The Hyakugo Bank, Ltd.

Jun. 2013 General Manager of Kameyama Branch, The Hyakugo Bank, Ltd.

Jun. 2015 Business Promotion Officer of Branch Management Division, The Hyakugo Bank, Ltd.

Jul. 2017 Joined the Company

Apr. 2018 General Manager of Internal Audit Office

Apr. 2020 Human Resources Department, Management Planning Division

Sep. 2020 Director of F&P Mfg., Inc.

Jun. 2023 Standing statutory auditor (current position)



Hiroyuki Aoki Standing statutory auditor

Newly appointed

Significant Concurrent Positions outside the Company None

Career Summary

Aug. 2015 Joined the Company as Deputy Division Manager of Management Planning Division

Apr. 2016 Senior Operating Officer

Apr. 2016 Division Manager of Management Planning Division

Jun. 2016 Director & Senior Operating Officer

Apr. 2020 Director & Senior Managing Executive Officer

Apr. 2020 Global Business Management Officer

Apr. 2025 Director

Jun. 2025 Standing Statutory Officer (current position)



Hiroshi Takahashi

Significant Concurrent Positions outside the Company

Director of Non-life Insurance Policy-holders Protection Corporation of Japan Chairperson of Egusa Foundation for International Cooperation in the Social Sciences Adviser of Atsumi & Sakai

Aug. 1985 Professor, Faculty of Law, The University of Tokyo

Dec. 1998 Director of Non-life Insurance Policy-holders Protection Corporation of Japan (current position)

Apr. 2007 Executive Vice President of The University of Tokyo

May 2009 Professor Emeritus of The University of Tokyo

Jun. 2009 Special Counsel of Mori Hamada & Matsumoto

Feb. 2010 Director of Japan Institute of Business Law

Jun. 2017 Chairperson of Egusa Foundation for International Cooperation in the Social Sciences (current position)

Apr. 2018 Advisor of Atsumi & Sakai (current position)

Jun. 2019 Outside Auditor of the Company (current position)



Kenichiro Masuda Audito

Outside Independent

Significant Concurrent Positions outside the Company

President of The Saitama Resona Foundation for Industrial and Economic Promotion Part-time Auditor of Daizo Corporation

Career Summary

Apr. 1984 Joined Saitama Bank, Limited (currently Saitama Resona Bank,

Jun. 2011 Executive Officer, General Manager of Group Strategy Division, Resona Holdings, Inc.

Apr. 2013 Executive Officer, Resona Bank, Limited

Apr. 2013 Executive Officer, Resona Holdings, Inc.

Apr. 2016 Director and Managing Executive Officer, Saitama Resona Bank,

Apr. 2018 Representative Director and Senior Executive Officer, Saitama Resona Bank, Limited

Jun. 2019 President and Representative Director, Resona Guarantee Co., Ltd.

Apr. 2022 President, The Saitama Resona Foundation for Industrial and Economic Promotion (current position)

Jun. 2022 Outside Auditor of the Company (current position)

Oct. 2022 Outside Auditor of Daizo Corporation (current position)

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Corporate Governance Structure Sustainability Promotion Structure

> Directors and Auditors

Messages from Outside Directors and Full-Time Auditors



Messages from Outside Director and Full-Time Auditor

Taking on the Challenge of Enhancing Corporate Value from an Objective Perspective



Outside Director Nobuhiro Koga

Self-Introduction

I was appointed as an outside director of the Company in June 2018 and am now serving my eighth term. Drawing on my knowledge and experience as a university professor specializing in engineering in education and research, I have contributed to enhancing the Company's corporate value by engaging in management oversight from an objective perspective. I have served as a member of the Nomination and Remuneration Committee since its establishment in June 2021, and from June of this year I assumed the role of chairperson. I will continue to contribute to the nomination and remuneration processes for directors and other officers from an even more objective standpoint.

Effectiveness of the Board of Directors

The Company's Board of Directors consists of five members, including two outside directors, and meets once or twice a month to deliberate on important management issues. With respect to proposals submitted by management, the Board conducts constructive discussions from multiple perspectives, working to enhance the quality of management decisions and ensure the effectiveness of governance. Additionally, on an annual basis, Board members individually evaluate various aspects of Board operations such as meeting frequency, agenda content, and time allocation, among other matters, and share these evaluation results to help improve its overall effectiveness.

Strengthening Our Human Capital Base

This fiscal year, the Company established the Human Capital Development Section. As a company's long-term prosperity depends greatly on employee engagement, this new section is expected to play a key role. Specifically, if a comprehensive human capital development system compassing recurrent education opportunities, financial support, and other measures can be implemented, we anticipate improved employee engagement, which in turn would lead to higher productivity and lower turnover rates among younger employees.

Future Initiative

The automotive industry has entered an era of transformation of once-in-a-century scale, driven by electrification and geopolitical risks. Our Company is at a crucial turning point, requiring significant review of its management policies and business operations. While strategic reviews to adapt are already underway, achieving sustainable growth and maximizing medium-to-long-term corporate value will require more effective strategy execution, as well as further strengthening of risk management, internal controls, and human capital investment. As an independent Outside Director, I will continue to support the Company's management from a governance perspective and work to meet the expectations of our shareholders.

The Role of Auditors in Supporting Sustainable Growth

Standing Statutory Auditor Michiaki Nakanishi



The Importance of Governance

Since its founding, the F-TECH Group has continued to provide value to society through Monozukuri (manufacturing excellence) with a strong challenging spirit. Even as society and markets evolve at unprecedented speed, the Group aspires to achieve sustainable and continuous growth. As a statutory auditor, I am deeply aware —on a daily basis—of both the essence of a company's earning power and the critical importance of the governance that underpins it.

Achieving sustainable growth requires sound management with a medium-to-long-term perspective, rather than focusing solely on short-term profits or immediate results. It is essential to look ahead, balance risks and opportunities, and make informed decisions—this is the level of governance quality now required of the F-TECH Group.

The Role of Statutory Auditors

The responsibility of statutory auditors is to provide effective oversight and auditing while introducing an external, objective, and professional perspective to corporate management. However, this role goes beyond mere checking and pointing out issues. Rather, I am committed to developing a deep understanding of F-TECH's organizational culture and ethos, working in sincere dialogue with management to ensure that the organization's values function and take root across all levels. In addition. I visit domestic sites and overseas

production bases to exchange opinions directly with both management and on-site employees, while also utilizing internal reporting systems. These efforts help identify potential misconduct risks early and strengthen the effectiveness of the Group's governance structure.

Earning Stakeholder Trust

Addressing social issues such as ESG and the SDGs is no longer a temporary trend or merely a response to OEM demands—it must be integrated into the Company's core growth strategy. In this context, I continue to learn and broaden my perspective to help drive meaningful and correct transformation.

Amid the diversifying values and rapid social changes that characterize our times, moving forward, I will remain committed to earning the trust of diverse stakeholders, maximizing the Company's sustainable growth and earnings power, and advancing management that fulfills its social responsibilities.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Corporate Governance Structure
Sustainability Promotion Structure
Directors and Auditors

Messages from Outside Directors and Full-Time Auditors



Progress on Sustainability-Related KPIs

The Sustainability Committee determines KPIs that align with our materiality drivers and promote them globally. The progress of these initiatives is monitored by the Management Meeting, with the aim of strengthening future efforts.

Key M	leasures and KPIs	Related Materiality Items	Scope*	Fiscal 2024 Targets	Fiscal 2024 Results	
	Training on diversity, discrimination, and harassment	• Respect for human rights	All employees in Japan and overseas	70% or more	91.4% (8,731 people)	
Labor and human rights	Percentage of employees protected by joint management— worker health and safety committees	Safe and hygienic working environment	All employees in Japan and overseas	70% or more	99.6% (9,516 people)	
Ethics	Awareness training on ethical issues	• Compliance	All employees in Japan and overseas	70% or more	90.6% (8,653 people)	
EUIICS	Awareness training on information security breach prevention	• Compliance	All employees in Japan and overseas	70% or more	90.6% (8,653 people)	
	Signatures in support of supplier sustainability guidelines		Major business partners in Japan and overseas	Endorsement signatures by 70% or more	86.7% (371 companies)	
Responsible procurement	Conflict minerals usage survey	 Promotion of sustainable procurement Fair trade 	Major business partners in Japan and overseas	Survey implementation rate of 70% or more	87.8% (287companies)	
	Responsible sourcing training for purchasing staff		Purchasing staff in Japan and overseas	Participation rate of 80% or higher	95.6% (130 people)	
	Awareness training on environmental issues	Response to carbon neutrality	All employees in Japan and overseas	70% or more	81.1% (7,744 people)	
Environment	Percentage of production sites with ISO 14001 certification	Development of environmentally friendly products	Production sites in Japan and overseas Die production sites	80% or more	87.5% (14 sites)	

^{*} Scope:

Japan and overseas: Scope includes F-TECH (non-consolidated), domestic subsidiaries, and overseas subsidiaries All employees: All employees (excluding executives), including part-time and temporary workers Major business partners: Outsourcing costs at each production site, number of companies that fall into the top 80% or more of sales

Data Used as a Basis for KPI Calculations

Number of F-TECH Group employees

9,554

Of whom, number of purchasing managers

136



Major business partners of the F-TECH Group

428 compani

Of which, number of those subject to conflict minerals surveys

327 companies



Classification and External Certification

As of March 31, 2025

	Classification										F-	TECH	Gro	up									
Classification		Do Non- consolidated	mes	tic ba	ase		Overseas bases																
	Region			omes bsidi				No	orth A	Ameri	ica				Ch	ina				Asia F	acifi		
	Base name	Ftech	RETERRA	QFT	FEG	FPC	DM	FPA	FPG	FPMX	RDNA	FTNA	FEGQ	FTZ	FTW	FRDCH	FEGY	FPMI	FMTL	FRDP	FII	FTAC	ISS
Ω	Production	•	•	•		•	•	•	•	•			•	•	•			•	•		•		•
Classification	Die manufacturing				•								•										•
g	Sales and development	•	•	•	•						•	•				•	•			•		•	
Certification	IATF 16949	•		•		•	•	•	•	•			•	•	•			•	•		•		•
cation	ISO 14001	•	•	•		•	•	•	•	•				•	•			•	•		•		•

Note: Official names of bases are found on the Global Network on page 70.

Certification: Mainly, basis with ISO 9001 certification

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

> Progress on Sustainability-Related KPIs

ESG Datasheet

Other Data

Consolidated Balance Sheet and Consolidated Income Statement



ESG Datasheet (Three Years)

Environment (E)

Category	Scope of Data ¹¹	Unit	FY2022	FY2023	FY2024
Electricity consumption	Japan, overseas	MWh	191,057	197,196	194,650
Of which, carbon-free electricity usage rate ²	Japan, overseas	96	16.2	19.6	20.5
GHG emissions (Scope 1/2)	Japan, overseas	t-CO ²	90,520	83,020	74,796
GHG emissions (Scope 3 Cat. 4)	Japan, overseas	t-CO ²	4,223	4,017	3,534
Total water consumption	Japan, overseas	1,000m³	736	733	680
Total wastewater discharge	Japan, overseas	1,000m³	601	576	539
Total waste emissions	Japan, overseas	ton	5,443	5,259	5,139
Total weight of hazardous waste	Japan, overseas	ton	920	1,308	888
Total weight of non-hazardous waste	Japan, overseas	ton	4,523	3,951	3,274
Total weight of direct landfill waste	Japan, overseas	ton	1,291	1,026	977
CDP assessment (climate change)	Japan, overseas	Class	В	В	В

Society (S)1/2

Total number of employees	Japan, overseas	People	9,763	9,800	9,554
Number of overseas employees	Overseas	People	8,467	8,486	8,188
Percentage of overseas employees	Japan, overseas	%	86.7	86.6	85.7
Percentage of female employees	Japan, overseas	%	17.7	16.8	18.9
Ratio of female managers ¹³	Japan, overseas	%	13.4	15.6	13.6
Percentage of employees with disabilities	Japan (non-consolidated)	%	2.60	3.00	2.70
Number of employees (full-time employees)	Japan (non-consolidated)	People	745	739	738
Number of temporary employees	Japan (non-consolidated)	People	166	200	242
Average years of service	Japan (non-consolidated)	Years	18.5	18.5	18.5
Average years of service (men)	Japan (non-consolidated)	Years	19.0	19.0	19.1
Average years of service (women)	Japan (non-consolidated)	Years	14.3	14.7	14.1
Average age	Japan (non-consolidated)	Years	41.1	41.4	41.5
Average annual salary	Japan (non-consolidated)	Thousands of yen	5,720	5,935	6,074
Percentage of employees taking paid leave	Japan (non-consolidated)	%	93.9	95.3	96.3
Number of childcare leave taken	Japan (non-consolidated)	Cases	7	8	10
Percentage of male employees taking childcare leave	Japan (non-consolidated)	%	33.3	38.5	55.6

Society (S)2/2

項目	データ範囲(**1)	単位	FY2022	FY2023	FY2024
Total working hours	Japan, overseas	Thousand hours	21,133	20,727	20,185
Total hours worked per person	Japan, overseas	Hours	2,165	2,115	2,113
rotarnours worked per person	Japan (non-consolidated)	Hours	1,887	1,919	1,966
Average overtime hours	Japan (non-consolidated)	Hours	3.7	9.4	10.2
Number of occupational accidents*4	Japan, overseas	Cases	64	62	73
Number of days lost due to work- related injuries and illnesses	Japan, overseas	Days	1,252	1,115	608
Major quality defects*5	Japan, overseas	Cases	0	0	0

Governance (G)

Number of directors	Japan (non-consolidated)	People	5	5	5
Ratio of independent outside directors	Japan (non-consolidated)	96	40	40	40
Ratio of female directors	Japan (non-consolidated)	96	20	20	20
Number of executive officers	Japan (non-consolidated)	People	16	16	17
Ratio of female executive officers	Japan (non-consolidated)	96	0	0	6
Number of whistleblower reports*6	Japan, overseas	Cases	6	7	14
Conflict of interest, bribery	Japan, overseas	Cases	0	0	0
Harassment	Japan, overseas	Cases	3	3	4
Of which, violation of laws, regulations, and internal rules	Japan, overseas	Cases	2	4	3
Of which, other whistleblowing	Japan, overseas	Cases	1	0	7
Corruption*7	Japan, overseas	Cases	0	0	0
Information security incidents*8	Japan, overseas	Cases	0	1	1

^{*1} Scope:

Japan and overseas: Scope includes F-TECH (non-consolidated), domestic subsidiaries, and overseas subsidiaries

Japan (non-consolidated): Scope includes F-TECH on a non-consolidated basis (head office, Kuki Plant, Kameyama Plant, Haga
Technical Center)

Japan: Scope includes F-TECH on a non-consolidated base and domestic subsidiaries (excludes overseas subsidiaries)

Overseas: Scope includes overseas subsidiaries (excludes F-TECH on a non-consolidated base and domestic subsidiaries)

*2 Carbon-free electricity refers to electricity derived from renewable energy sources and nuclear power.

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

Progress on Sustainability-Related KPIs

> ESG Datasheet

Other Data

Consolidated Balance Sheet and Consolidated Income Statement



^{*3} The ratio of female managers is calculated based on the Act on the Promotion of Women's Active Engagement in Professional Life as the ratio of the number of female managers to the number of all managers.

^{*4} The number of occupational accidents is the number of accidents including and above the bone fracture and suture class.

^{*5} Quality defects affecting product performance and regulatory non-conformity

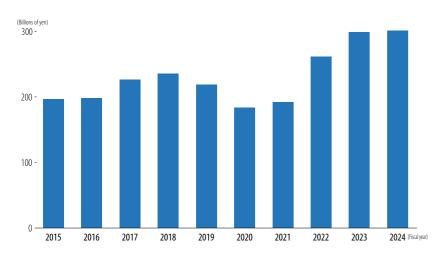
^{*6} Whistleblowing reports is the number of cases reported by the Compliance Committee after being received by internal, external (law firms), and corporate auditors/outside directors.

^{*7} Corruption is defined as a breach of trust, embezzlement, bribery, and extortion of favors.

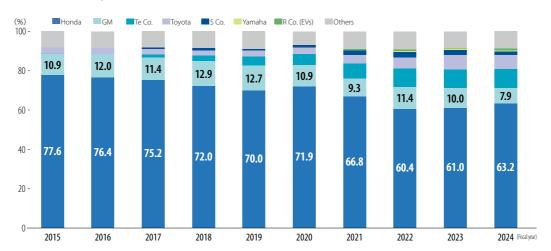
^{*8} Information security incidents are defined as cyber-attacks, system downtime, information leaks, unauthorized access, and website falsification.

Other Data

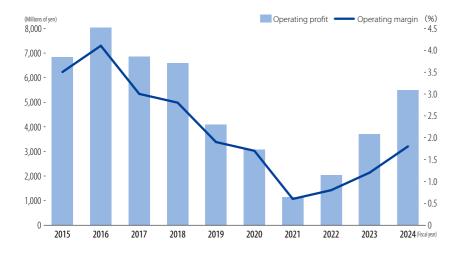
Consolidated Net Sales



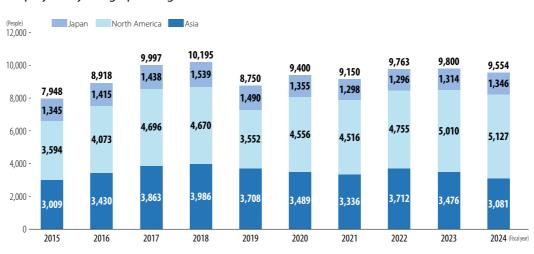
Share of Sales by Customer



Operating Profit/Operating Margin



Employees by Geographic Segment



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

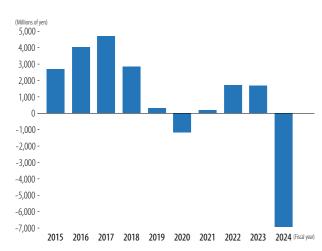
Progress on Sustainability-Related KPIs ESG Datasheet

> Other Data

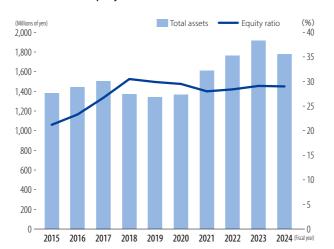
Consolidated Balance Sheet and Consolidated Income Statement



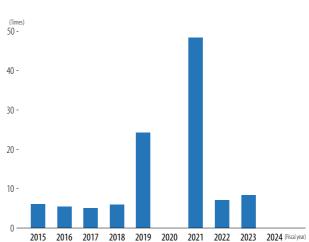
Net Income or Net Loss



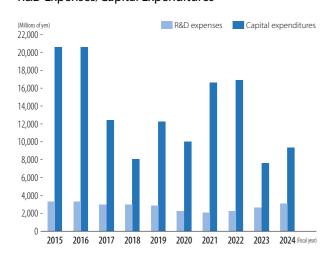
Total Assets/Equity Ratio



EPS



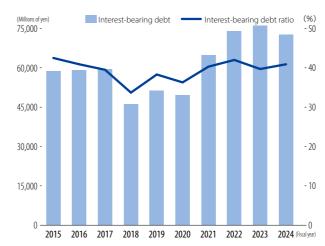
R&D Expenses/Capital Expenditures



ROE, ROA/Earnings per Share



Interest-Bearing Debt/Interest-Bearing Debt Ratio



INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

Progress on Sustainability-Related KPIs

ESG Datasheet

> Other Data

Consolidated Balance Sheet and Consolidated Income Statement



Consolidated Balance Sheet and Consolidated Income Statement [The fiscal year ended March 31, 2025]

Total assets

Balance Sheet	(Unit: Millions of yen)		(Unit: Millions of yen)
Assets		Liabilities	
Line item	Amount	Line item	金額
Current assets	81,495	Current liabilities	82,047
Cash and deposits	14,356	Notes and accounts payable-trade	26,229
Notes receivable—trade	56	Short-term loans payable	32,481
Accounts receivable – trade	34,976	Current portion of long-term loans payable	11,634
Electronically recorded monetary claims	226	Lease obligations	868
Merchandise and finished goods	6,752	Income taxes payable	807
Work in process	6,751	Accounts payable-other	2,356
Raw materials and supplies	14,948	Notes payable-facilities	147
Other	3,440	Provision for directors' bonuses	28
Allowance for doubtful accounts	△13	Other	7,493
Non-current assets	96,059	Non-current liabilities	31,262
Property, plant and equipment	81,428	Bonds payable	2,000
Buildings and structures, net	20,011	Long-term loans payable	24,139
Machinery, equipment and vehicles, net	44,231	Lease obligations	1,468
Dies and tools, net	1,077	Deferred tax liabilities	2,569
Land	6,107	Provision for directors' retirement benefits	61
Leased assets, net	275	Net defined benefit liability	793
Construction in progress	5,119	Negative goodwill	22
Other, net	4,605	Other	206
Intangible assets	583	Total liabilities	113,309
Software	538	Net assets	
Other	45	Shareholders' equity	35,127
Investments and other assets	14,047	Capital stock	6,790
Investment securities	9,242	Capital surplus	6,427
Retirement benefit assets	884	Retained earnings	21,989
Deferred tax assets	2,824	Treasury shares	△79
Other	1,095	Accumulated other comprehensive income	16,385
		Valuation difference on available-for-sale securities	698
		Deferred gains or losses on hedges	222
		Foreign currency translation adjustment	14,667
		Remeasurements of defined benefit plans	796

Non-controlling interests

Total liabilities and net assets

Total net assets

177,555

Incomo Ctatamant

12,733

64,246

177,555

ncome Statement		(Unit: Millions of yer
Line item	А	mount
Net Sales		300,831
Cost of sales		275,501
Gross profit		25,329
Selling, general and administrative expenses		19,848
Operating profit		5,481
Non-operating income		
Interest income	185	
Dividend income	103	
Share of profit of entities accounted for using equity method	146	
Other	360	796
Non-operating expenses		
Interest expenses	2,786	
Foreign exchange losses	390	
Other	53	3,230
Ordinary profit		3,047
Extraordinary income		
Gain on sales of non-current assets	64	
Other	1	65
Extraordinary losses		
Loss on retirement of non-current assets	83	
Impairment loss	7,707	
Extra retirement payments	1,127	8,918
Loss before income taxes		△5,805
Income taxes-current		2,945
Income taxes-deferred		798
Loss		△9,549
Loss attributable to non-controlling interests		△2,624
Loss attributable to owners of parent		△6,925

INDEX

Introduction

Value Creation Story

Value Creation Strategy

Governance

Information and Data

Progress on Sustainability-Related KPIs

ESG Datasheet

Other Data

> Consolidated Balance Sheet and Consolidated **Income Statement**



INDEX

Introduction

Governance

Value Creation Story

Value Creation Strategy

Information and Data

FSG Datasheet

Income Statement

> F-TECH Group Global Network

Other Data

Progress on Sustainability-Related KPIs

Consolidated Balance Sheet and Consolidated

F-TECH Group Global Network (As of April 1, 2025)

In addition to expanding production bases, we have established research and technology development as well as sales bases in various regions to enhance our responsiveness to customer needs. We are advancing information sharing in areas such as quality, development, procurement, and the environment, aiming to elevate the overall level of the Group.

Overseas sites

Overseas Subsidiaries

- F&P Mfg., Inc. [Ontario, Canada] (F&P)
- DYNA-MIG, a division of F&P Mfg., Inc. [Ontario, Canada] (DM)
- F&P America Mfg., Inc. [Ohio, United States] (FPA)
- F&P Georgia, A division of F&P America Mfg., Inc. [Georgia, United States] (FPG)
- F.TECH R&D NORTH AMERICA INC. [Ohio, United States] (RDNA)
- Michigan/ R&D NA Office [Michigan, United States]
- F-TECH NORTH AMERICA INC. [Michigan, United States] (FTNA)
- F.E.G. DE OUERETARO S.A. DE C.V. [Oueretaro, Mexico] (FEGO)
- F&P MFG DE MEXICO S.A. DE CV. [Guanajuato, Mexico] (FPMX)
- F-TECH PHILIPPINES, MFG., INC. [Laguna, Philippines] (FPMI)
- F.tech R&D Philippines Inc. [Laguna, Philippines] (FRDP)
- F-TECH MFG. (THAILAND) LTD. [Ayutthaya, Thailand] (FMTL)
- PT. F.TECH INDONESIA [Karawang, Indonesia] (FTI)

- F-Tech Automotive Components Private Limited [Haryana, India] (FTAC)
- India Steel Summit Private Limited [Uttar Pradesh, India] (ISS)
- F-tech Zhongshan Inc. [Guangdong, China] (FTZ)
- F-tech Wuhan Inc. [Hubei, China] (FTW)
- FUTIAN MOULD TECHNOLOGY (YANTAI) CO., LTD. [Shandong, China] (FEGY)
- F-tech R&D (Guangzhou) Inc. [Guangzhou, China] (FRDCH)

<Equity-Method Affiliates>

- Johnan America, Inc.
- Johnan De Mexico, S.A.de C.V.
- Johnan F.tech (Thailand) LTD.
- VEE GEE Auto Components Private Limited

Domestic Sites

F-TECH (Non-Consolidated)

- Head office, Kuki Plant [Kuki, Saitama Prefecture]
- Kameyama Plant [Kameyama, Mie Prefecture]
- Equipment Center [Kazo, Saitama Prefecture]
- Haga Technical Center [Haga-cho, Haga-gun, Tochigi Prefecture]

Domestic Subsidiaries

- Fukuda Engineering Co., Ltd. [Kazo, Saitama Prefecture] (FEG)
- Kyushu F.tech Inc. [Yamaga, Kumamoto Prefecture] (QFT)
- [Ogano, Chichibu, Saitama Prefecture]

Domestic Affiliated Companies

- Johnan Manufacturing Inc. [Ueda, Nagano Prefecture]
- Johnan-Kyushu Manufacturing Inc. [Nogata, Fukuoka Prefecture]

Company Profile (As of March 31, 2025)

Company Name

Head Office 19, Showanuma, Shobucho, Kuki,

Saitama 346-0194 Japan

Established July 1, 1947

¥6.79 billion Capital President & CEO Yuichi Fukuda

Employees Consolidated: 9,554; non-consolidated:

980

Business Activities

related dies, machinery and equipment

Main Customers HONDA MOTOR CO., LTD.; General

Motors Company; NISSAN MOTOR CO., LTD.; SUZUKI MOTOR CORPORATION;

Stock Market Listing Standard Market, Tokyo Stock Exchange

Kuki, Saitama 346-0194 Japan

Sustainability Promotion Department.

+81-480-85-5211 Phone:

Published in September 2025

■ Manufacturing Sites ➤ Japan (2) North America (6) China (2) Asia Pacific (4) ■ R&D and Sales Facilities ➤ Japan (2) North America (3) China (2) Asia Pacific (2)

F-TECH INC.

Development, design, manufacturing,

and sales of automotive parts, and

TOYOTA MOTOR CORPORATION; etc.

Published by:F-TECH INC.

19, Showanuma, Shobucho,

Corporate Planning Office, F-TECH INC.

F-mail: webmaster@ftech.co.jp



