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**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2026  
<under Japanese GAAP>**

**F-TECH INC.**

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

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

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

The global economy during the fiscal year ended March 31, 2026 maintained a gradual recovery trend; however, uncertainty regarding the future has been further heightening due to factors such as emerging supply concerns over energy resources stemming from the Middle East conflicts that began in February 2026, in addition to U.S. unilateral policies and the continued deterioration of relations between Japan and China.

In the automotive industry, the global shift toward electrification has continued, while a clear trend has emerged toward renewed demand for hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs). In addition, Japanese, European, and American automakers faced a severe business environment, particularly in the Chinese and Southeast Asian markets, due to intensifying competition caused by the rise of Chinese EV manufacturers.

In this business environment, the Group upheld the corporate policy “We contribute to society by improving earning power and achieving sustainable growth” and, under this policy, in line with the basic policies “Back to Basics” and “Challenge for New,” undertook company-wide activities based on four pillars: Enhance Earning Power, Build a Sound Financial Structure, Pursue Strategic Growth Business Opportunities, and Build Sustainability Management. As a result, initiatives such as structural reforms bore fruit, and a record-level profit was secured for the fiscal year ended March 31, 2026.

As a result of these activities, for the fiscal year ended March 31, 2026, net sales decreased by 3.0% year on year to 291,866 million yen, operating profit increased by 53.3% to 8,405 million yen, ordinary profit increased by 146.0% to 7,495 million yen, and profit attributable to owners of parent was 4,726 million yen (loss attributable to owners of parent of 6,925 million yen in the previous fiscal year).

Operating results by segment are as follows.

(Japan)

Net sales decreased by 2.2% year on year to 29,453 million yen due to a decline in product sales, while, in terms of profit and loss, operating profit was 618 million yen (operating loss of 1,093 million yen in the previous fiscal year), reflecting a profit increase partly attributable to an increase in technical services and a decrease in expenses.

(North America)

Net sales decreased by 1.6% year on year to 222,616 million yen and operating profit decreased by 26.0% year on year to 5,938 million yen, reflecting a decrease in production volume at major customers caused by semiconductor supply shortage, as well as the impact of a strong yen.

(Asia)

Net sales decreased significantly by 10.5% year on year to 39,797 million yen due to a continued decline in production volume for major customers in the China region. In terms of profit and loss, operating profit of 1,665 million yen was recorded (operating loss of 1,609 million yen in the previous fiscal year), reflecting, among other things, the effects of structural reforms implemented in the China region.

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

As of March 31, 2026, total assets increased by 5,081 million yen from the end of the previous fiscal year to 182,636 million yen, due in part to increases in cash and deposits and construction in progress, despite decreases in items such as machinery, equipment and vehicles, net and merchandise and finished goods.

Liabilities decreased by 2,360 million yen from the end of the previous fiscal year to 110,948 million yen, due in part to decreases in notes and accounts payable - trade, short-term loans payable, and long-term loans payable, which offset increases in items such as current portion of long-term loans payable and lease obligations.

Net assets increased by 7,441 million yen from the end of the previous fiscal year to 71,687 million yen, due in part to increases in retained earnings and foreign currency translation adjustment.

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

As of March 31, 2026, cash and cash equivalents increased by 4,363 million yen from the end of the previous fiscal year to 18,620 million yen (up 30.6% year on year).

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

#### (Cash flows from operating activities)

Net cash provided by operating activities increased by 5,775 million yen to 20,533 million yen (net cash provided of 14,757 million yen in the previous fiscal year). The main factors were an increase in profit before income taxes and an increase in the amount of decrease (increase) in inventories, despite a decrease in impairment loss and a decrease in the amount of decrease (increase) in notes and accounts receivable - trade.

#### (Cash flows from investing activities)

Net cash used in investing activities increased by 1,811 million yen to 9,683 million yen (net cash used of 7,871 million yen in the previous fiscal year). The main factor was an increase in purchase of property, plant and equipment.

#### (Cash flows from financing activities)

Net cash used in financing activities increased by 1,215 million yen to 6,943 million yen (net cash used of 5,728 million yen in the previous fiscal year). The main factor was a decrease in proceeds from long-term loans payable.

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

	68th term Fiscal year ended March 31, 2023	69th term Fiscal year ended March 31, 2024	70th term Fiscal year ended March 31, 2025	71st term Fiscal year ended March 31, 2026
Equity ratio (%)	28.4	29.1	29.0	31.8
Market value-based equity ratio (%)	7.0	7.4	5.7	7.0
Ratio of interest-bearing debt to cash flows (year)	4.2	3.9	4.9	3.4
Interest coverage ratio (times)	10.1	6.9	5.3	9.9

(Notes) Equity ratio: equity / total assets

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

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

Interest coverage ratio: cash flow / paid interest

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

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

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

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

For the earnings forecasts for the next fiscal year, given the uncertain outlook including the cancellation of production plans for EVs at major customers, risks of declining production volumes in the Chinese market, and risks of disrupted supply chains due to the escalating tensions in the Middle East, we forecast net sales of 288,000 million yen, operating profit of 5,500 million yen, ordinary profit of 4,100 million yen, and profit attributable to owners of parent of 800 million yen. Our assumptions for the exchange rate are 150 yen to the U.S. dollar and 21 yen to the Chinese yuan.

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

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

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

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

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	14,356	18,726
Notes receivable - trade	56	67
Accounts receivable - trade	34,976	34,665
Electronically recorded monetary claims - operating	226	91
Merchandise and finished goods	6,752	5,814
Work in process	6,751	7,041
Raw materials and supplies	14,948	14,666
Other	3,440	3,019
Allowance for doubtful accounts	(13)	-
Total current assets	81,495	84,093
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,011	19,848
Machinery, equipment and vehicles, net	44,231	40,013
Dies and tools, net	1,077	1,091
Land	6,107	5,916
Leased assets, net	275	324
Construction in progress	5,119	8,862
Other, net	4,605	5,408
Total property, plant and equipment	81,428	81,464
Intangible assets		
Software	538	624
Other	45	56
Total intangible assets	583	681
Investments and other assets		
Investment securities	9,242	9,795
Retirement benefit asset	884	1,631
Deferred tax assets	2,824	3,803
Other	1,095	1,165
Total investments and other assets	14,047	16,396
Total non-current assets	96,059	98,542
Total assets	177,555	182,636

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,229	24,967
Electronically recorded obligations - operating	–	476
Short-term loans payable	32,481	28,656
Current portion of long-term loans payable	11,634	12,241
Lease obligations	868	1,023
Income taxes payable	807	1,110
Accounts payable - other	2,356	1,852
Notes payable - facilities	147	94
Provision for directors' bonuses	28	63
Other	7,493	9,659
Total current liabilities	82,047	80,145
Non-current liabilities		
Bonds payable	2,000	2,000
Long-term loans payable	24,139	22,860
Lease obligations	1,468	2,172
Deferred tax liabilities	2,569	2,548
Provision for directors' retirement benefits	61	62
Net defined benefit liability	793	957
Negative goodwill	22	17
Other	206	184
Total non-current liabilities	31,262	30,803
Total liabilities	113,309	110,948
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,790	6,790
Capital surplus	6,427	6,427
Retained earnings	21,989	26,341
Treasury shares	(79)	(76)
Total shareholders' equity	35,127	39,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	698	668
Deferred gains or losses on hedges	222	54
Foreign currency translation adjustment	14,667	17,252
Remeasurements of defined benefit plans	796	669
Total accumulated other comprehensive income	16,385	18,644
Non-controlling interests	12,733	13,560
Total net assets	64,246	71,687
Total liabilities and net assets	177,555	182,636

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	300,831	291,866
Cost of sales	275,501	264,484
Gross profit	25,329	27,382
Selling, general and administrative expenses	19,848	18,976
Operating profit	5,481	8,405
Non-operating income		
Interest income	185	258
Dividend income	103	106
Share of profit of entities accounted for using equity method	146	408
Foreign exchange gains	–	137
Other	360	302
Total non-operating income	796	1,211
Non-operating expenses		
Interest expenses	2,786	2,069
Foreign exchange losses	390	–
Other	53	53
Total non-operating expenses	3,230	2,122
Ordinary profit	3,047	7,495
Extraordinary income		
Gain on sales of non-current assets	64	208
Gain on sales of investment securities	–	0
Other	1	–
Total extraordinary income	65	208
Extraordinary losses	–	–
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	83	65
Impairment loss	7,707	–
Extra retirement payments	1,127	–
Total extraordinary losses	8,918	66
Profit (loss) before income taxes	(5,805)	7,637
Income taxes - current	2,945	3,713
Income taxes - deferred	798	(1,156)
Total income taxes	3,744	2,557
Profit (loss)	(9,549)	5,080
Profit (loss) attributable to		
Profit (loss) attributable to owners of parent	(6,925)	4,726
Profit (loss) attributable to non-controlling interests	(2,624)	353
Other comprehensive income		
Valuation difference on available-for-sale securities	(428)	(31)
Deferred gains or losses on hedges	(15)	(172)
Foreign currency translation adjustment	2,486	3,307
Remeasurements of defined benefit plans, net of tax	705	(183)
Share of other comprehensive income of entities accounted for using equity method	230	193
Total other comprehensive income	2,979	3,113
Comprehensive income	(6,570)	8,193
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,962)	6,986
Comprehensive income attributable to non-controlling interests	(2,608)	1,207

**(3) Consolidated statements of changes in net assets**  
**Fiscal year ended March 31, 2025**

(Millions of yen)

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

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

**Fiscal year ended March 31, 2026**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,790	6,427	21,989	(79)	35,127
Changes of items during period					
Dividends of surplus			(374)		(374)
Profit attributable to owners of parent			4,726		4,726
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		2	3
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	0	4,352	2	4,355
Balance at end of period	6,790	6,427	26,341	(76)	39,482

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	698	222	14,667	796	16,385	12,733	64,246
Changes of items during period							
Dividends of surplus							(374)
Profit attributable to owners of parent							4,726
Purchase of treasury shares							(0)
Disposal of treasury shares							3
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity	(30)	(167)	2,584	(127)	2,259	826	3,086
Total changes of items during period	(30)	(167)	2,584	(127)	2,259	826	7,441
Balance at end of period	668	54	17,252	669	18,644	13,560	71,687

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(5,805)	7,637
Depreciation	14,920	12,789
Impairment loss	7,707	–
Amortization of goodwill	(5)	(5)
Increase (decrease) in assets and liabilities related to retirement benefits	47	(770)
Loss (gain) on sale of investment securities	–	(0)
Increase (decrease) in provision for directors' retirement benefits	5	0
Increase (decrease) in provision for directors' bonuses	(20)	34
Interest and dividend income	(288)	(364)
Interest expenses	2,786	2,069
Foreign exchange losses (gains)	136	(36)
Share of loss (profit) of entities accounted for using equity method	(146)	(408)
Loss (gain) on sales of property, plant and equipment	(64)	(207)
Loss on retirement of property, plant and equipment	83	10
Decrease (increase) in notes and accounts receivable - trade	7,323	2,114
Decrease (increase) in inventories	(2,714)	2,483
Increase (decrease) in notes and accounts payable - trade	(2,015)	(1,752)
Increase (decrease) in contract liabilities	(1,279)	1,686
Decrease (increase) in accounts receivable - other	1,208	249
Other, net	(890)	(554)
Subtotal	20,986	24,974
Interest and dividend income received	346	422
Interest expenses paid	(2,802)	(2,064)
Income taxes paid	(3,772)	(2,799)
Net cash provided by (used in) operating activities	14,757	20,533
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,043)	(9,778)
Proceeds from sales of property, plant and equipment	354	572
Purchase of intangible assets	(54)	(239)
Purchase of investment securities	(80)	(38)
Proceeds from sale of investment securities	–	22
Payments into time deposits	(100)	(155)
Proceeds from withdrawal of time deposits	–	150
Other, net	52	(216)
Net cash provided by (used in) investing activities	(7,871)	(9,683)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(5,949)	(4,886)
Proceeds from long-term loans payable	12,800	11,515
Repayments of long-term loans payable	(13,170)	(12,403)
Proceeds from issuance of bonds	2,000	–
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(374)	(373)
Dividends paid to non-controlling interests	(236)	(381)
Repayments of lease obligations	(539)	(561)
Proceeds from sale of treasury shares	–	3
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(315)	–
Other, net	58	143
Net cash provided by (used in) financing activities	(5,728)	(6,943)
Effect of exchange rate change on cash and cash equivalents	894	457
Net increase (decrease) in cash and cash equivalents	2,052	4,363
Cash and cash equivalents at beginning of period	12,204	14,256
Cash and cash equivalents at end of period	*1 14,256	*1 18,620

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

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

Not applicable.

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

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

	<u>(Millions of yen)</u>	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2025
Cash and deposits	14,356	18,726
Time deposits with a deposit period exceeding three months	(100)	(105)
Cash and cash equivalents	14,256	18,620

## Segment information, etc.

### Segment information

#### 1. Description of reportable segments

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

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

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

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

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

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

Intersegment sales and transfers are based on prevailing market prices.

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

Fiscal year ended March 31, 2025

(Millions of yen)

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

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	29,453	222,616	39,797	291,866
Intersegment sales and transfers	12,402	1,580	3,698	17,680
Total	41,855	224,196	43,495	309,547
Segment profit	618	5,938	1,665	8,222
Segment assets	80,831	117,539	38,133	236,504

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

(Millions of yen)

Net sales	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	316,999	309,547
Elimination of intersegment transactions	(16,167)	(17,680)
Net sales in the consolidated financial statements	300,831	291,866

(Millions of yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	5,321	8,222
Elimination of intersegment transactions	160	183
Operating profit in the consolidated financial statements	5,481	8,405

(Millions of yen)

Assets	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segments total	231,975	236,504
Elimination of intersegment transactions	(54,415)	(53,864)
Other adjustments	(4)	(3)
Total assets in the consolidated financial statements	177,555	182,636

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

Fiscal year ended March 31, 2025

(Millions of yen)

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

Fiscal year ended March 31, 2026

Not applicable.

**Per share information**

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	2,774.28	3,129.67
Basic earnings (loss) per share	(372.97)	254.50

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

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

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

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	(6,925)	4,726
Amounts not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Millions of yen)	(6,925)	4,726
Average number of shares (Thousands of shares)	18,567	18,571
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (Millions of yen)	—	—
Increase in number of common shares (Thousands of shares)	—	—
[Of the above, convertible bond-type bonds with subscription rights to shares (Thousands of shares)]	[-]	[-]
Outline of potential shares that were not used in calculating diluted earnings per share because they have no dilutive effects	—	—

**Significant events after reporting period**

Not applicable.

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

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

We hereby confirm that the contents of the “Notice of Changes in Executive Officers and Their Assignments” announced on January 29, 2026 are true and correct.