Fukoku Co., Ltd. (TSE Prime Market: 5185)
November 18, 2026

Financial Results Briefing

2nd Quarter of

FY Ending March 31, 2027

Yes, We Do!

(translation)

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Agenda

1. Financial Results: Key Points
2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts
3. Status per Segment/Region
4. Returns to Shareholders
5. Progress of Business Initiatives
6. Toward the Next Medium-Term Management Plan

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1. Financial Results: Key Points

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1. Financial Results: Key Points

Results for FY Ended September 30, 2026

Sales/Increase in revenue: Sales in the Functional Parts, Anti-vibration Parts, and Hose businesses remained firm.

Operating profit /Increase in profits: In addition to sales growth, the effects of productivity improvements, price optimization efforts, and reductions in loss-making and low-profit products more than offset the impact of rising raw material, labor, and other costs.

Forecast for FY Ended March 31, 2026

Upward revision reflects the first-half impact of Middle East developments, progress in passing on higher material costs, and the outlook from Q3 onward.

Despite uncertainty in global affairs and the automotive industry, we are prioritizing earnings growth and capital efficiency. Our transformation for the next phase of growth is beginning to deliver results.

Net Sales ¥85 billion → **¥90 billion**

Operating Profit ¥3.3 billion → **¥4.0 billion**

Dividend

Interim dividend: **¥50** per share, as planned
Year-end dividend: **¥50** per share, as planned
Full-year dividend: **¥100** per share, up **¥15** year on year

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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

Summary of results

(JPY Millions)

	FY ended March 31, 2026	FY ended March 31, 2027		
	2Q Results	2Q Results	Change	Change rate
Net sales	44,372	**46,769**	2,397	**+5.4%**
Operating profit	1,549	**2,494**	945	**+61.0%**
(Operating profit to net sales)	(3.5%)	**(5.3%)**	(+1.8pp)	
Ordinary profit	1,527	**2,665**	1,138	**+74.5%**
(Ordinary profit to net sales)	(3.4%)	**(5.7%)**	(+2.3pp)	
Profit	948	**1,658**	710	**+74.9%**
(Profit to net sales)	(2.1%)	**(3.5%)**	(+1.4pp)	

Higher sales and productivity, pricing, and product-mix improvements more than offset rising material and labor costs.

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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

Forecast of Results (Consolidated)

(JPY Millions)

	FY ended March 31, 2026	FY ending March 31, 2027		
	Results	Forecast (Revision)	Change	Change rate
Net sales	90,025	**90,000**	- 25	**-0.0%**
Operating profit	3,806	**4,000**	194	**+5.1%**
(Operating profit to net sales)	(4.2%)	**(4.4%)**	(+0.2pp)	
Ordinary profit	3,864	**4,000**	136	**+3.5%**
(Ordinary profit to net sales)	(4.3%)	**(4.4%)**	(+0.1pp)	
Profit	1,144	**2,800**	1,656	**+144.6%**
(Profit to net sales)	(1.3%)	**(3.1%)**	(+1.8pp)	

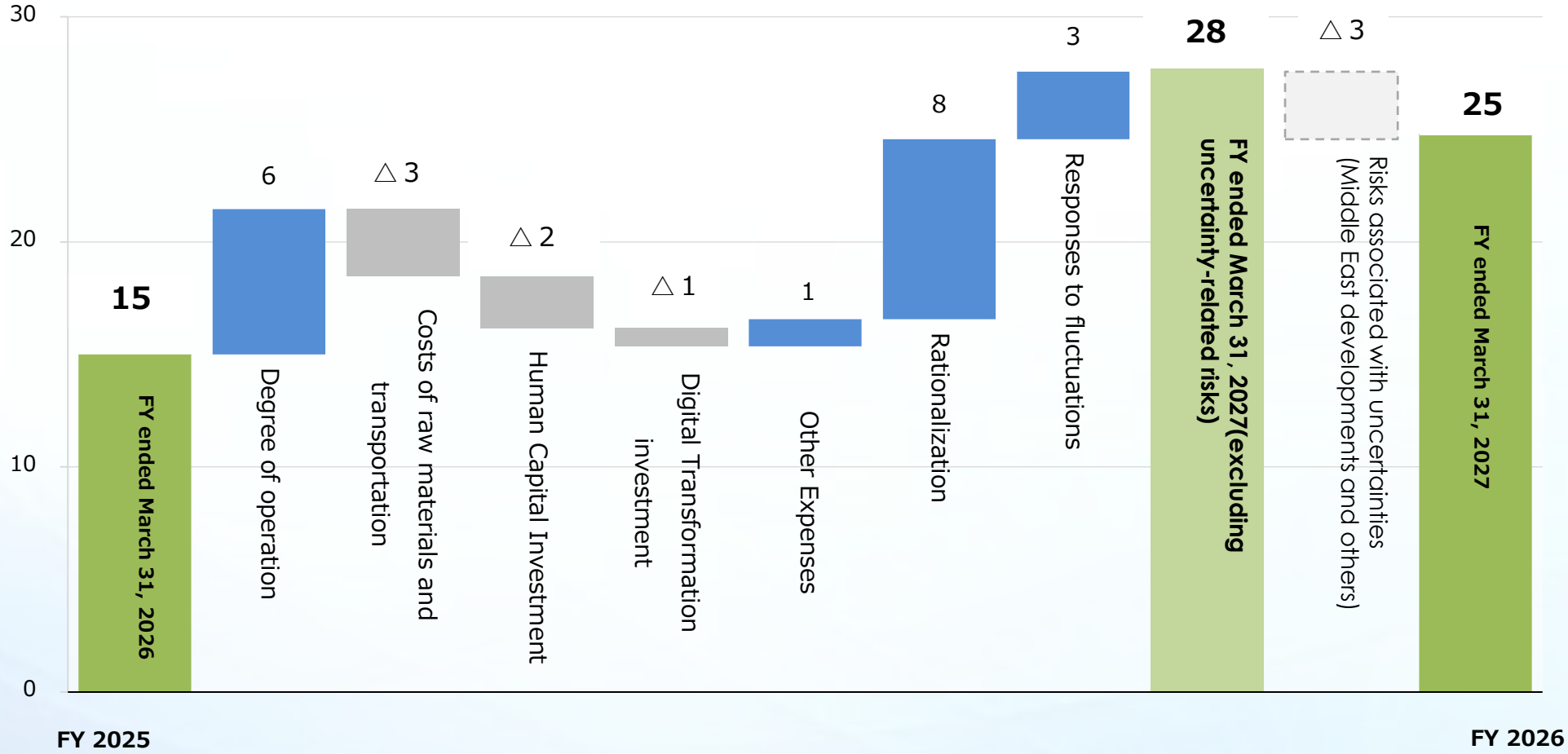
Forecast revised upward, reflecting the first-half impact of Middle East developments, progress in passing on higher costs, and the expected impact from Q3 onward.

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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

Difference _ operating profit (YoY)_ 1st Half Result

(JPY 100M)



Profit increased, driven by higher sales and the benefits of rationalization and flexible production adjustments, while the impact of Middle East developments was more limited than expected.

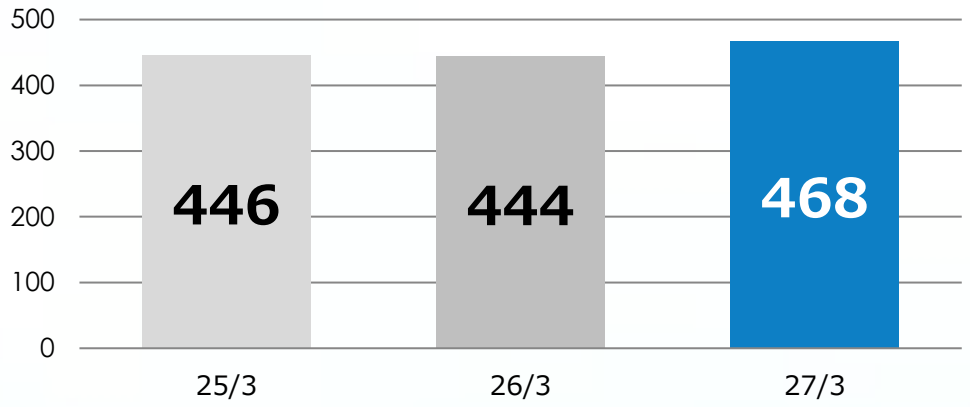
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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

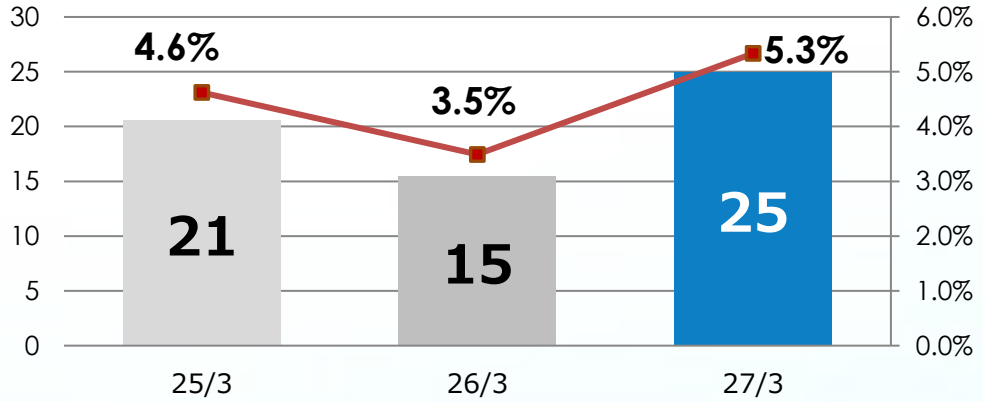
Business performance trends（1st Half)

(JPY 100M)

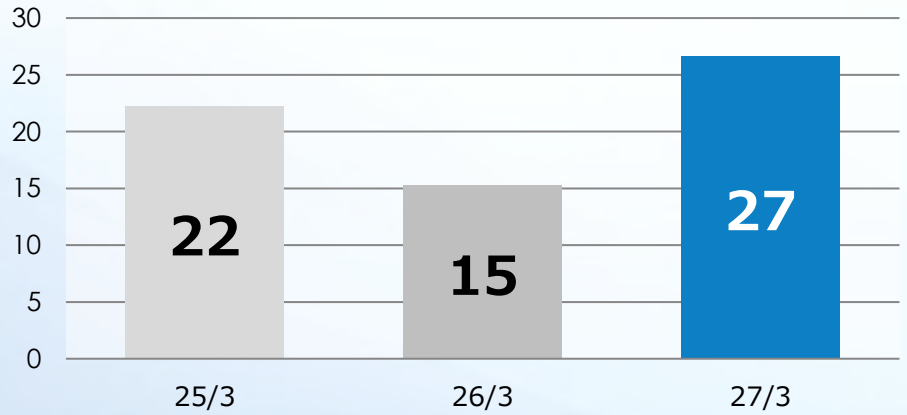
Net sales



Operationg profit

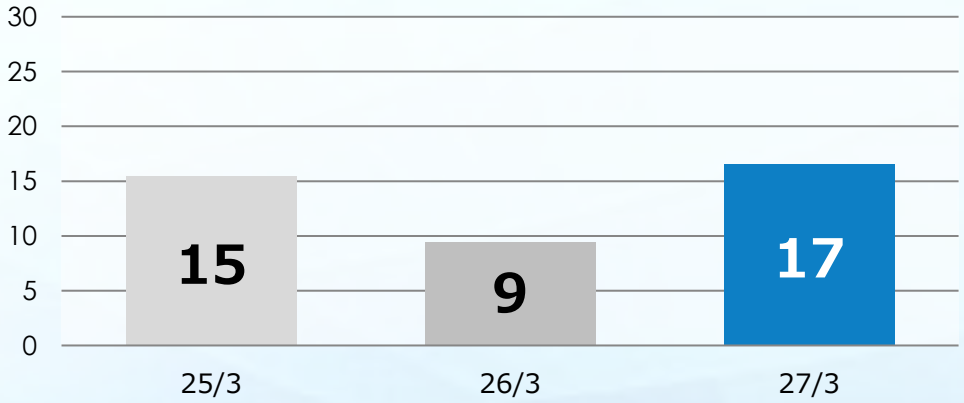


Ordinary profit



Profit *

*attributable to owners of parent



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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

Financial Position, Cash Flow（Consolidated）

(JPY Millions)

PL	Results as of Septemer 30, 2025	Results as of Septemer 30, 2026	Change (YoY)
Sales	44,372	46,769	2,397
Operating profit	1,549	2,494	945
Ordinary profit	1,527	2,665	1,138
Net income	948	1,658	710

BS	Results as of March 31, 2026	Results as of Septemer 30, 2026	Change (YoY)
Total current assets	48,043	49,314	1,271
Total non-current assets	33,643	34,393	750
Total assets	81,686	83,708	2,022
Total liabilities	37,881	38,505	624
Total shareholders' equity	40,869	42,266	1,397
Total net assets	43,805	45,203	1,398
Total liabilities andnet assets	81,686	83,708	2,022

CF	Results as of March 31, 2025	Results as of Septemer 30, 2026	Change (YoY)
CF from operating activities	3,944	3,871	△ 73
CF from investing activities	△ 2,964	△ 3,307	△ 343
CF from financing activities	△ 1,557	△ 435	1,122
Free cash flow	980	564	△ 416

- Sales in the Functional Parts, Anti-vibration Parts, and Hose businesses remained firm.

- Increase in assets driven by higher accounts receivable from sales growth
- Increase in net assets driven by higher retained earnings from sales growth

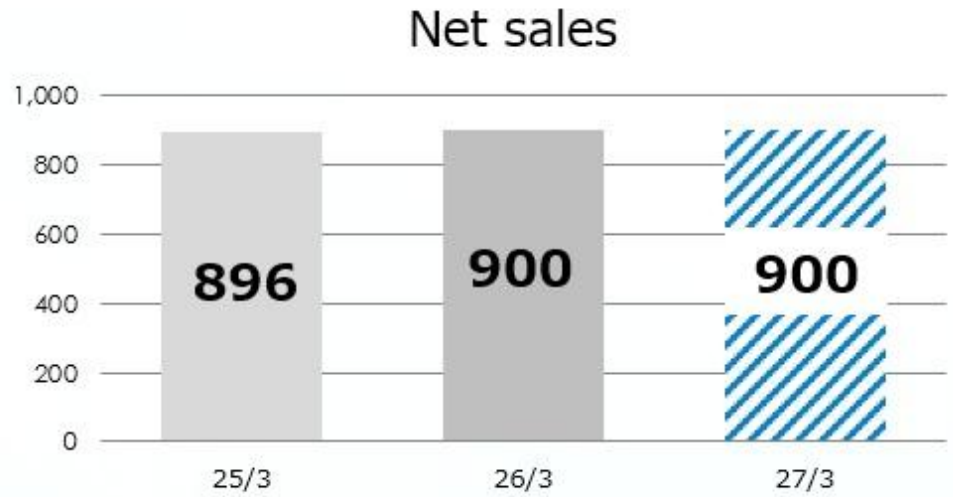
- Cash flow from financing activities increased. In anticipation of future interest rate hikes, the Company is extending borrowing maturities and increasing the proportion of fixed-rate funding.

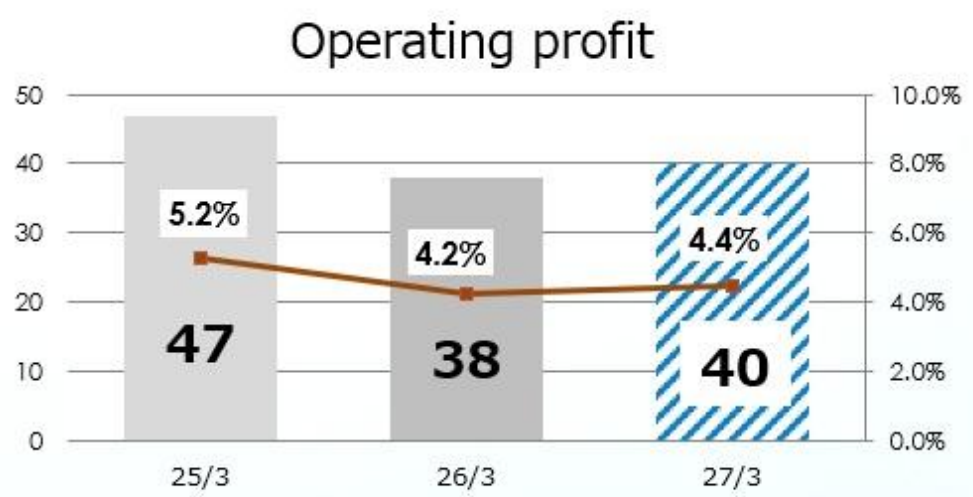
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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

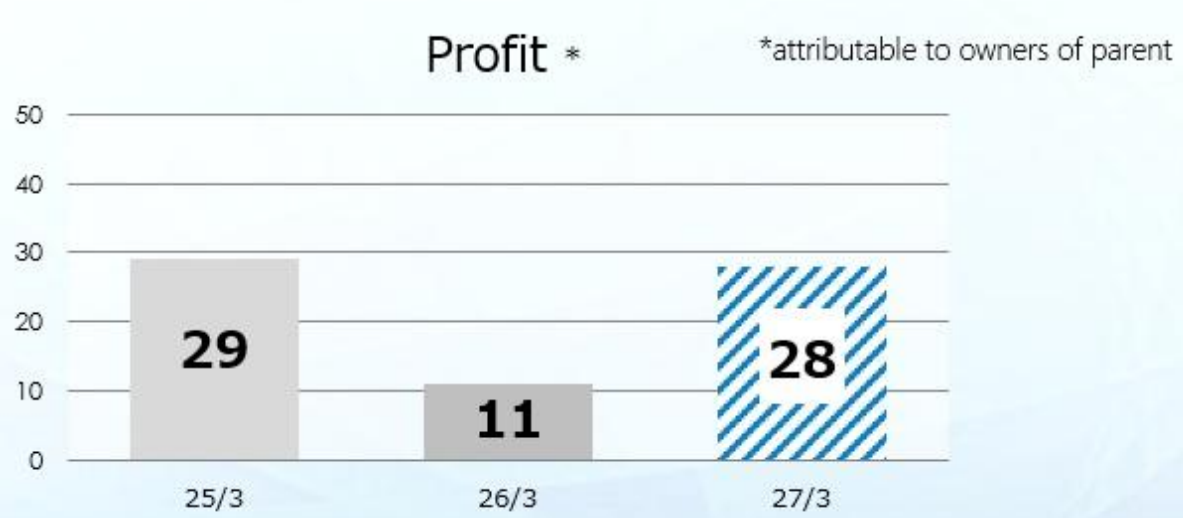
Forecast of results

(JPY 100M)







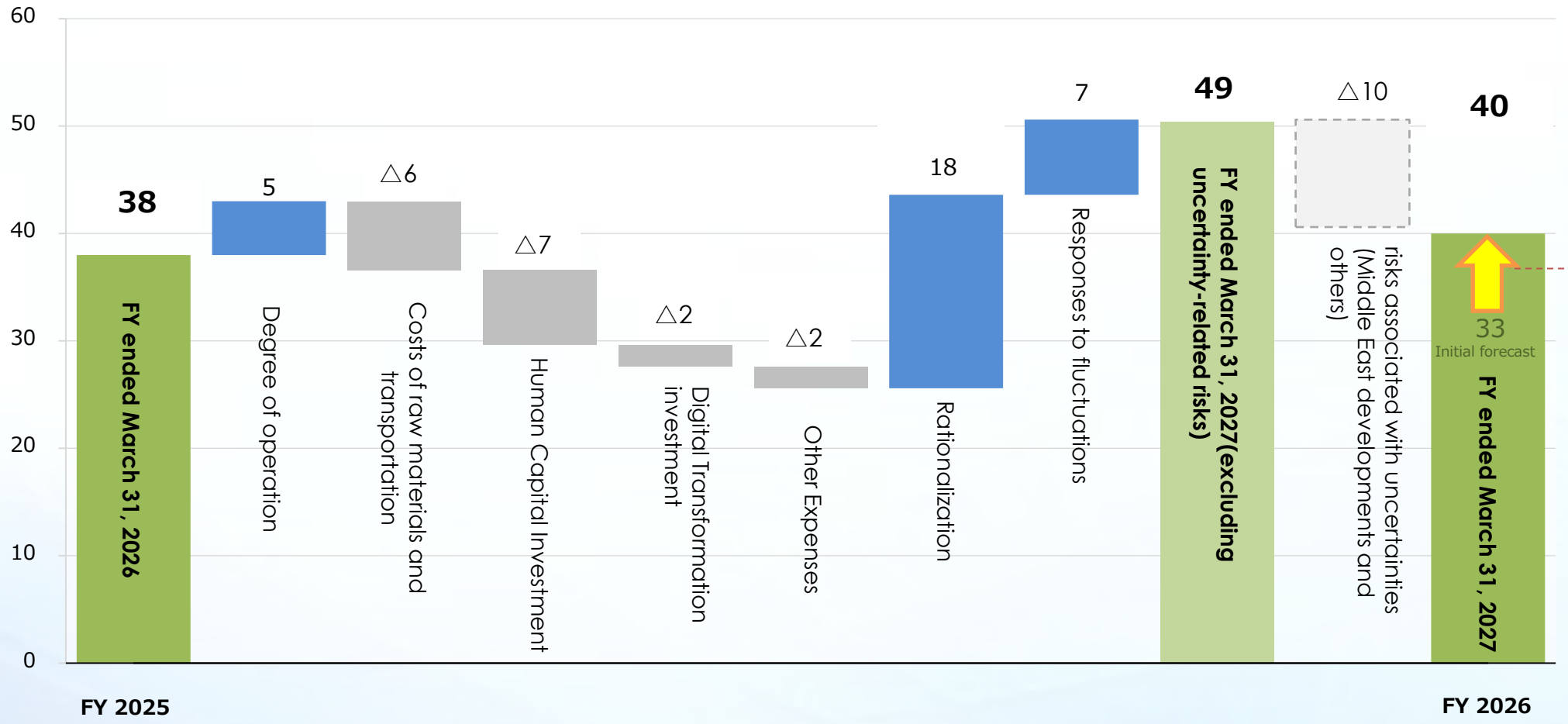


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2. Second quarter results for the fiscal year ending March 2027 and full-year forecasts

Difference _ operating profit (YoY)_ full-year forecasts

(JPY 100M)



Profit growth targeted through steady cost responses and rationalization, despite a worsening impact from the Middle East situation from Q3 onward.

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3. Status per Segment/Region

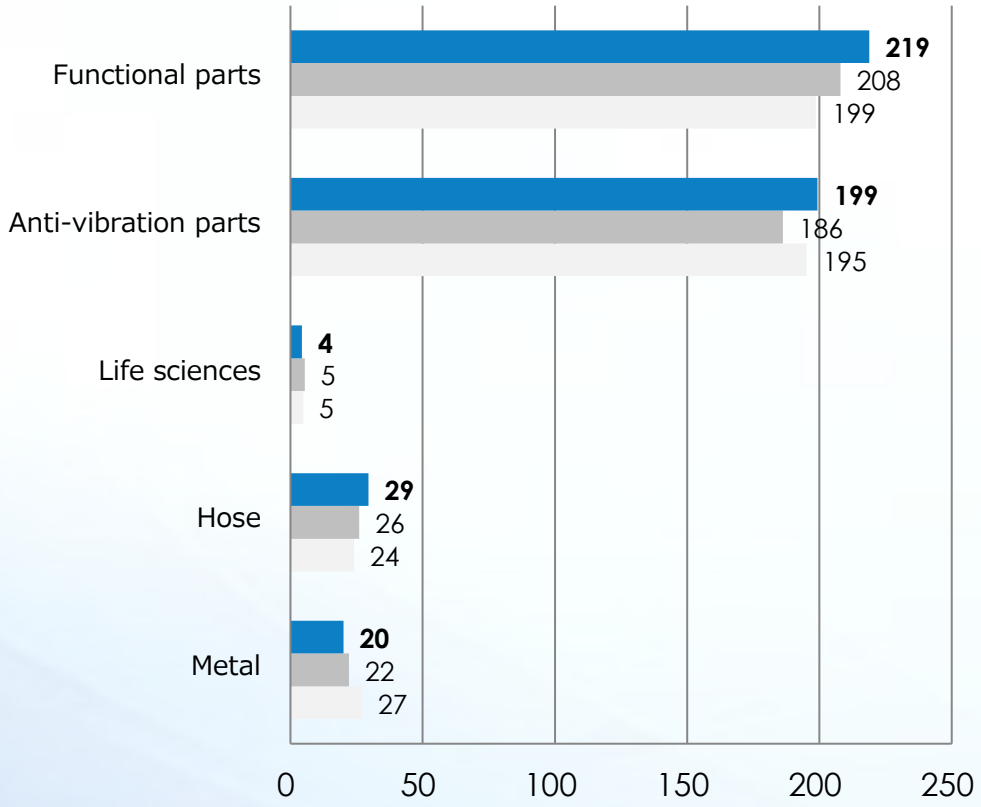
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3. Status per Segment/Region

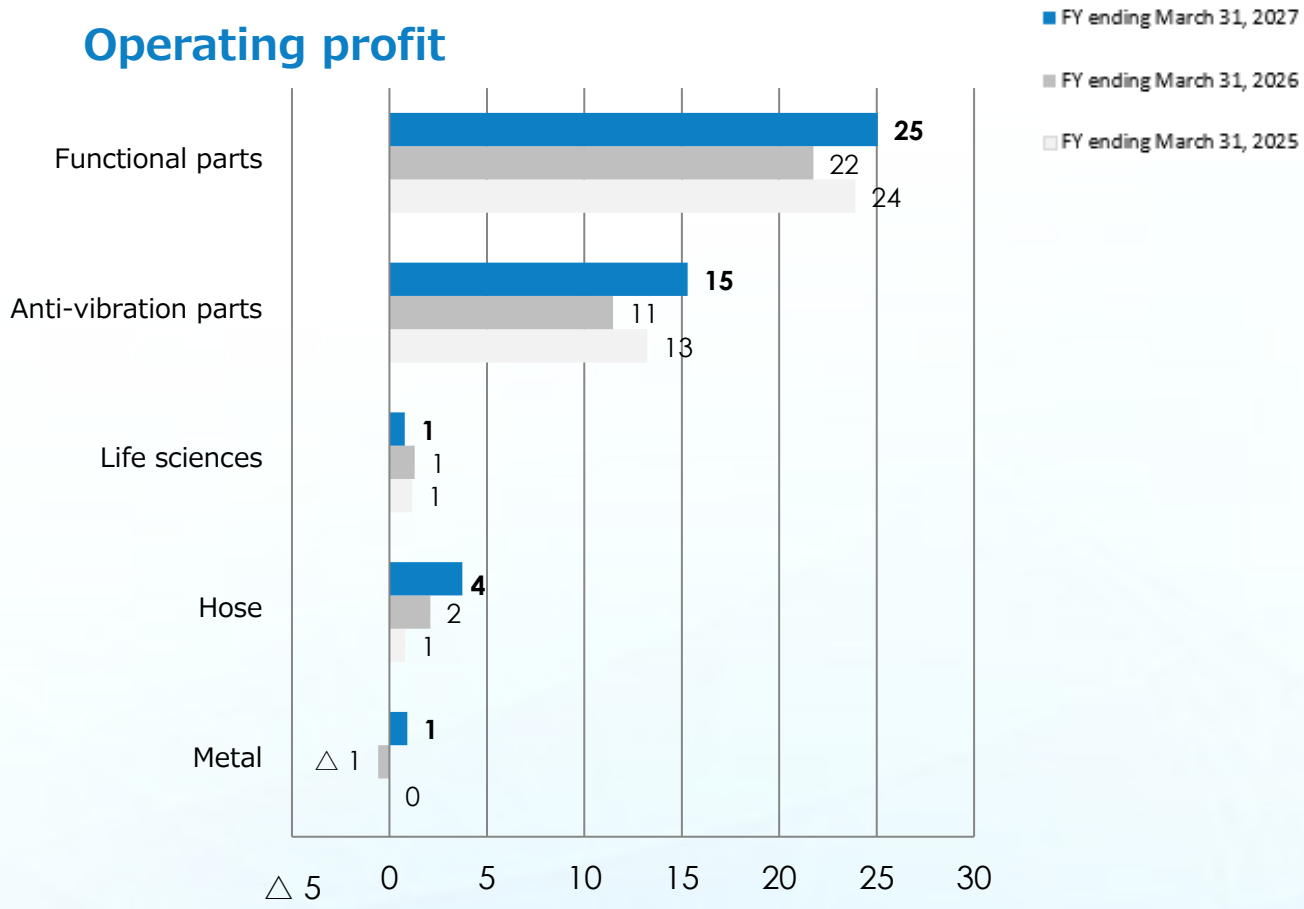
Per Segment (1st half)

(JPY 100M)
*Before consolidation adjustments

Net Sales



Operating profit



Functional Parts, Anti-Vibration Parts and Hose grew sales and profit; Life Science sales declined; Metal Processing returned to profit through business restructuring.

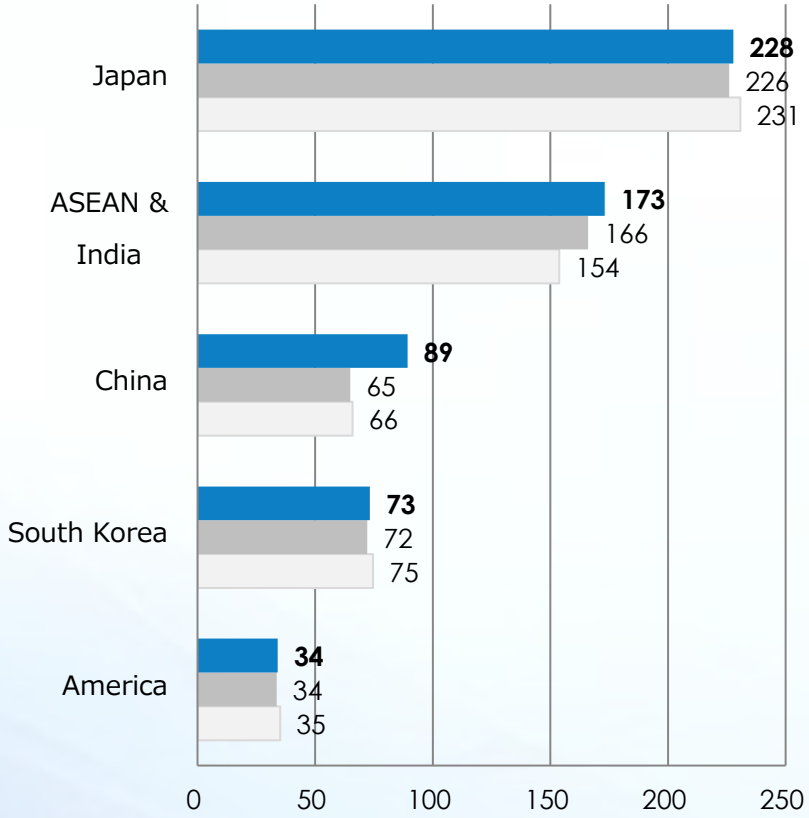
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3. Status per Segment/Region

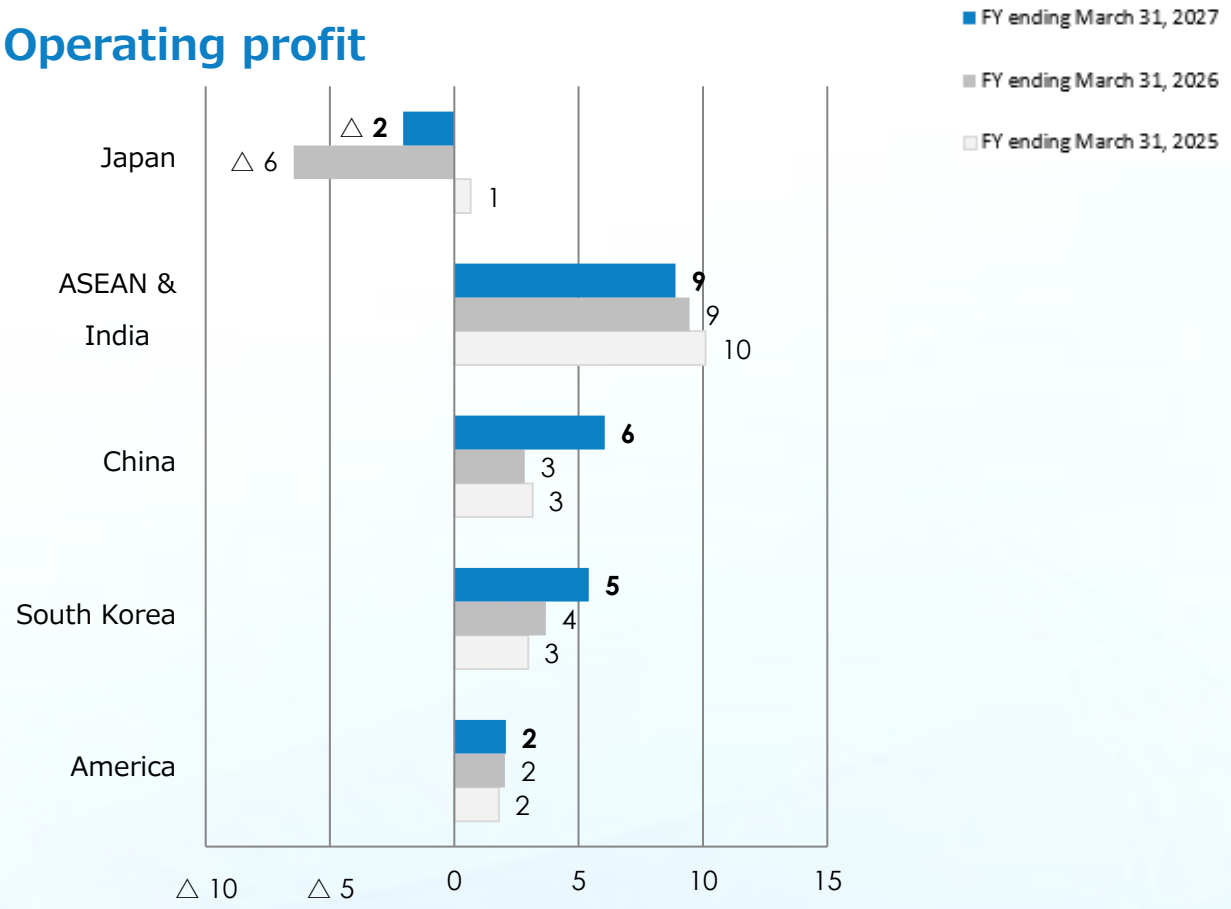
Per Region (1st half)

(JPY 100M)
*Before consolidation adjustments

Net Sales



Operating profit



ASEAN profits declined due to higher material costs amid Middle East tensions and foreign exchange impacts. The company will seek to recover through price pass-through and cost rationalization.

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4. Returns to Shareholders

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4. Returns to Shareholders

Views on shareholder returns (basic policy on dividends)

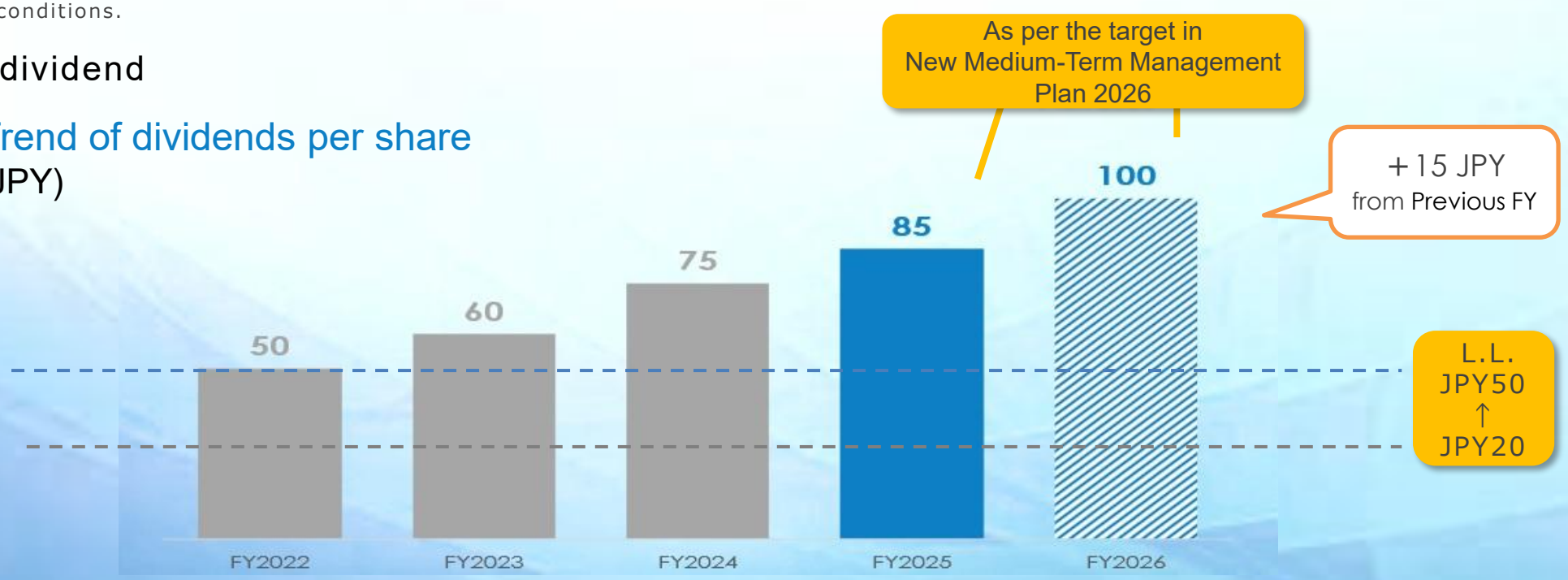
- Increase the payout ratio from **30% to 40%,** and raise the minimum dividend from JPY20 per share **to JPY50** per share.
- Dividends per share remain as planned: **JPY50** for the interim dividend and **JPY100** for the full year, reflecting uncertainty regarding the impact of Middle East developments from Q3 onward.
- While mindful of DOE, we will continue to strengthen our shareholder returns.

*Except in the event of a sudden severe deterioration in business conditions.

Amount of dividend

Trend of dividends per share

(JPY)



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5. Progress of Business Initiatives

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5. Progress of Business Initiatives

the Medium-Term Management Plan 2026 Balancing business strategies

Enhancing existing businesses

Growing sales through solutions businesses

- Simulation design through in-vehicle evaluation technologies/enhancing R&D in China
- Establishing an R&D function in India

Growing sales to high-growth regions

- Enhancing technology and production structures in India and Indonesia

Manufacturing-ability innovations and enhancing HR development

- Developing innovative construction methods/ automation/IoT adoption
- Enhancing global HR development

Growing growth businesses and new businesses

Growing industrial and other products

Factory automation	Development of/establishment of mass-production systems for precision seals
New energy	Development of hydrogen-energy seals and vibration-proofing coatings for wind power
Aerospace	Development of vibration-proofing mounts

Growth in the CASE market

Batteries	Development and sales expansion of holding sheets for continually evolving EV products Development and sales expansion of thermal radiation gap fillers and large-battery vibration-proofing products

Growing life-science products

Bio	Cell-culture bags and cultures and cosmetics raw materials
Microbiological testing	Establishment of mass-production systems and sales expansion for chemical-resistant microbiological-testing chips

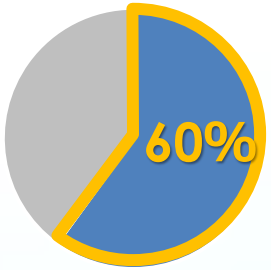
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Enhancing existing businesses

- Growing sales through solutions businesses (Wiper)

Strengthening Capabilities Through the Relocation of the Shanghai Technical Center in the Chinese Market

OEM Wiper Blade Rubber Sales Share (in China)
(Source: Company data (2026))



Relocated to the Anting area, a hub for the automotive industry, and expanded evaluation equipment and testing and analysis capabilities.

■ **Objectives**

Strengthen relationships with key customers Respond to faster development cycles

■ **Expected Benefits**

Strengthen engagement with OEMs and Tier 1 suppliers
Shorten development lead times

→ **Expand orders and improve quality**











Strengthen solution-based businesses in high-growth markets and regions to further expand market share

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5. Progress of Business Initiatives

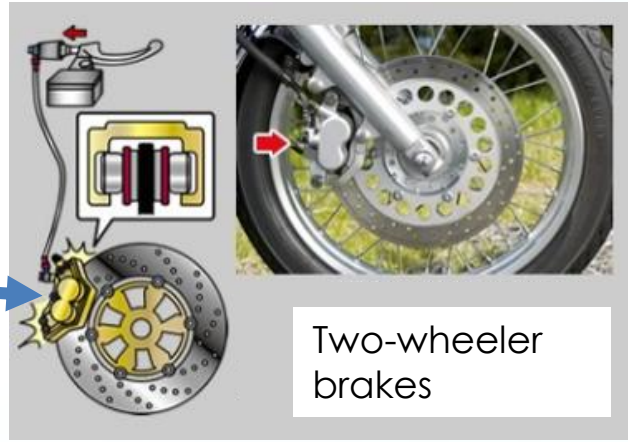
Enhancing existing businesses

-Growing sales to high-growth regions (India)

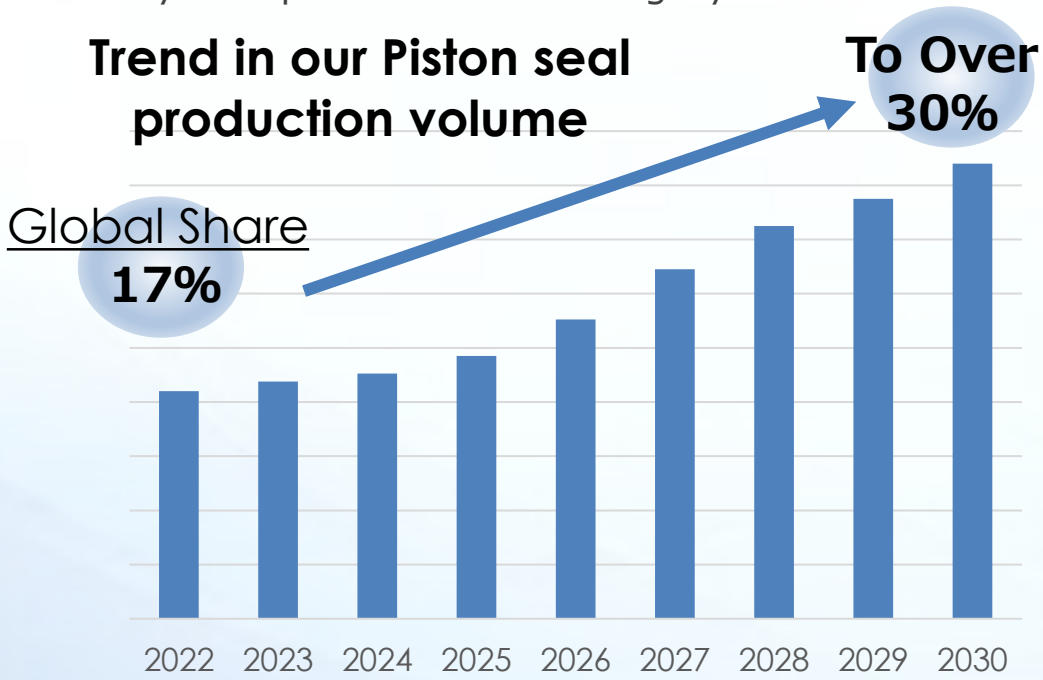
- Demand for brake components is growing as safety regulations for two-wheelers are tightened in India.
- India is the world's largest two-wheeler market, and further growth is expected
- This presents an opportunity to expand sales of our piston seals, a critical safety component for braking systems.

Piston seal

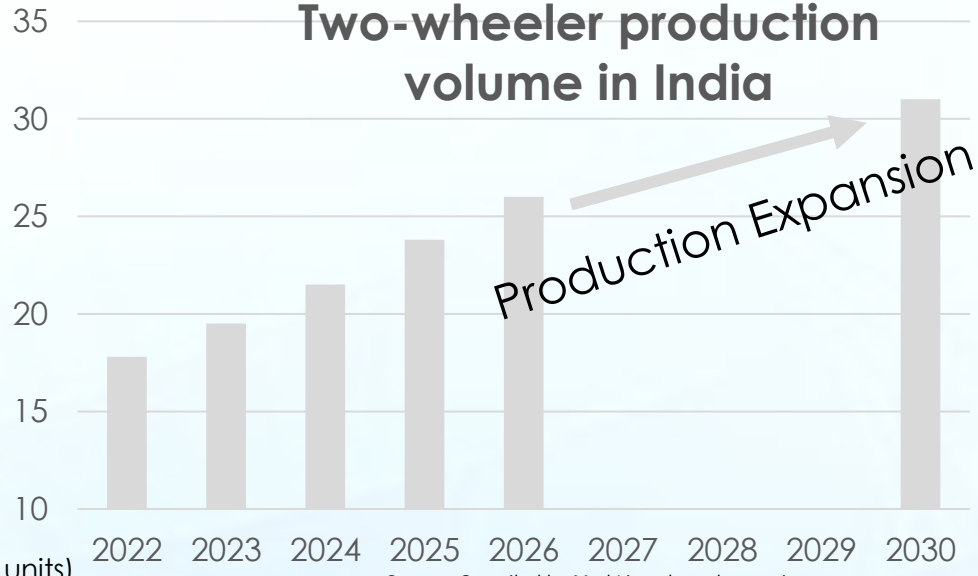




Trend in our Piston seal production volume



Two-wheeler production volume in India



(unit: Millions of units)

Source: Compiled by MarkLines based on various announcements and information sources. *Data through 2025

Promote sales expansion in India's growing market

* Global market share based on our own research.

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Enhancing existing businesses
-Growing sales to high-growth regions (Indonesia)

Restructuring Indonesia's Production Base

■ **Efficiently restructure our Indonesian businesses**

Including commercial vehicle anti-vibration components, railway components, and hoses—in response to requests for increased local sourcing.

■ **Consolidate and integrate our Indonesian operations**

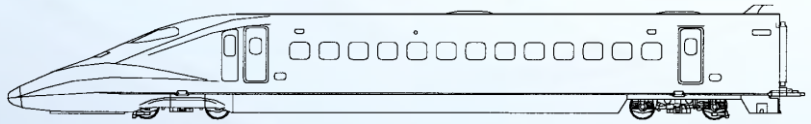
(production is scheduled to be transferred in FY2027)
Consolidate factories to further strengthen our production base.
Increase production capacity to prepare for higher output.

■ **Our Indonesian operations continue to grow steadily.**

Sales: ¥3.6 billion in FY2021 → ¥5.4 billion in FY2025



Fukoku Tokai Rubber Indonesia — Exterior of the New Consolidated Factory





Axle rubber(for freight)



Single-link bush for train



Hoses

Enhance production efficiency and expand capacity in Indonesia, a growth market, in anticipation of future production increases.

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5. Progress of Business Initiatives

Growing growth businesses and new businesses
- Battery peripheral products

thermal management solutions



Focus on battery-related products and peripherals

Thermal gap filler/BHS

	Existing	New Order	
Model	◆Kia EV3 ◆Hyundai Motor CASPER EV	◆**Hyundai Motor PORTER EV** ◆**Kia PV7**	◆**Hyundai Motor KONA EV**
Material	Silicon	Silicon	Silicon
SOP	In mass production	From 2027	From 2027

■ **Increasing Number of Models Adopting Thermal Gap Fillers**

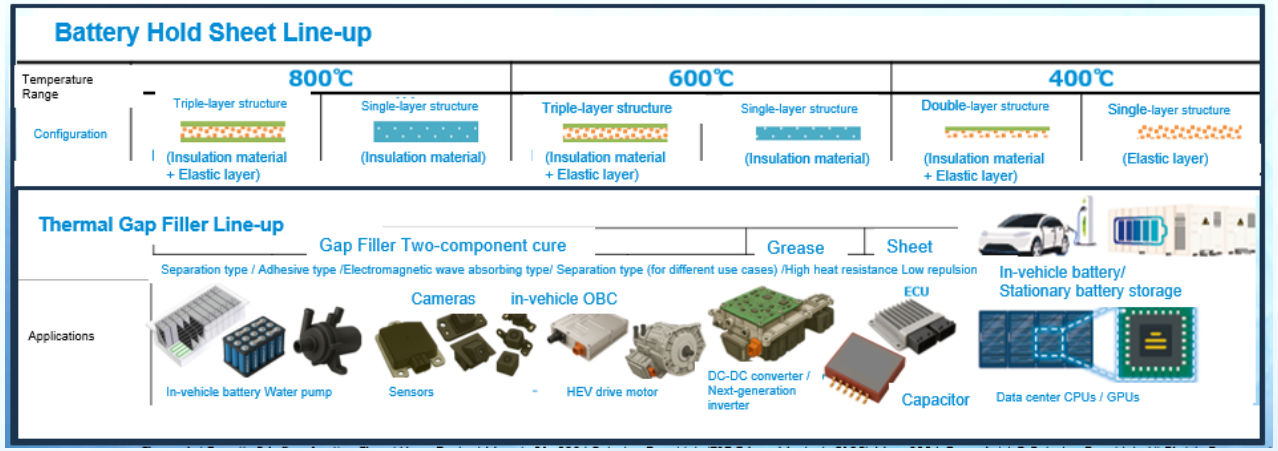
Acquired **new orders** from Hyundai Motor and Kia **(Mass production scheduled to begin in 2027 or later)**



Thermal gap filler

■ **Lineup expansion for future electrification; meeting diverse needs**

Contributing to AI-driven thermal-management challenges, including data centers



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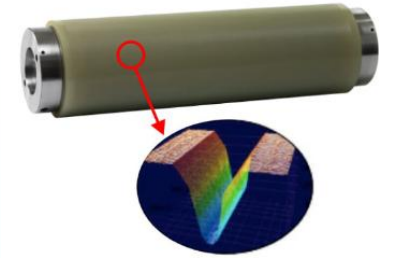
5. Progress of Business Initiatives

Enhancing existing businesses
- Growing sales through solutions businesses (Urethane products)

Global No.1 in Urethane Rollers for Semiconductor Wire Saws

Urethane Business Growing on Strong Demand for Semiconductor Manufacturing Equipment

- Providing total solutions through integrated production, with our products adopted by a leading Japanese manufacturing equipment manufacturer.
- Achieving extended service life and large-part molding with Fukoku's proprietary technologies.
- Secured orders from Taiwanese semiconductor equipment manufacturers.



Main rollers for ingot wire saws



Wire saw rollers, Urethane pulleys

Expanding Sales of Sealing Components for Semiconductor Manufacturing Equipment (Functional Parts Segment)

Expand sealing-component sales as demand for semiconductor manufacturing equipment grows.

- Strengthen price competitiveness through cost reductions
- Leverage our global supply network





Targeting semiconductor-related sales growth, new customer acquisition, and business expansion

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5. Progress of Business Initiatives

Growing growth businesses and new businesses
- Life Science products

Launch of Liquid Culture Medium Production in China

A modern liquid culture medium production facility that meets Class II medical device requirements is under construction at Dongguan Fukoku. Production is scheduled to start in July 2027.



Lymphocyte culture medium



MSC Culture Medium









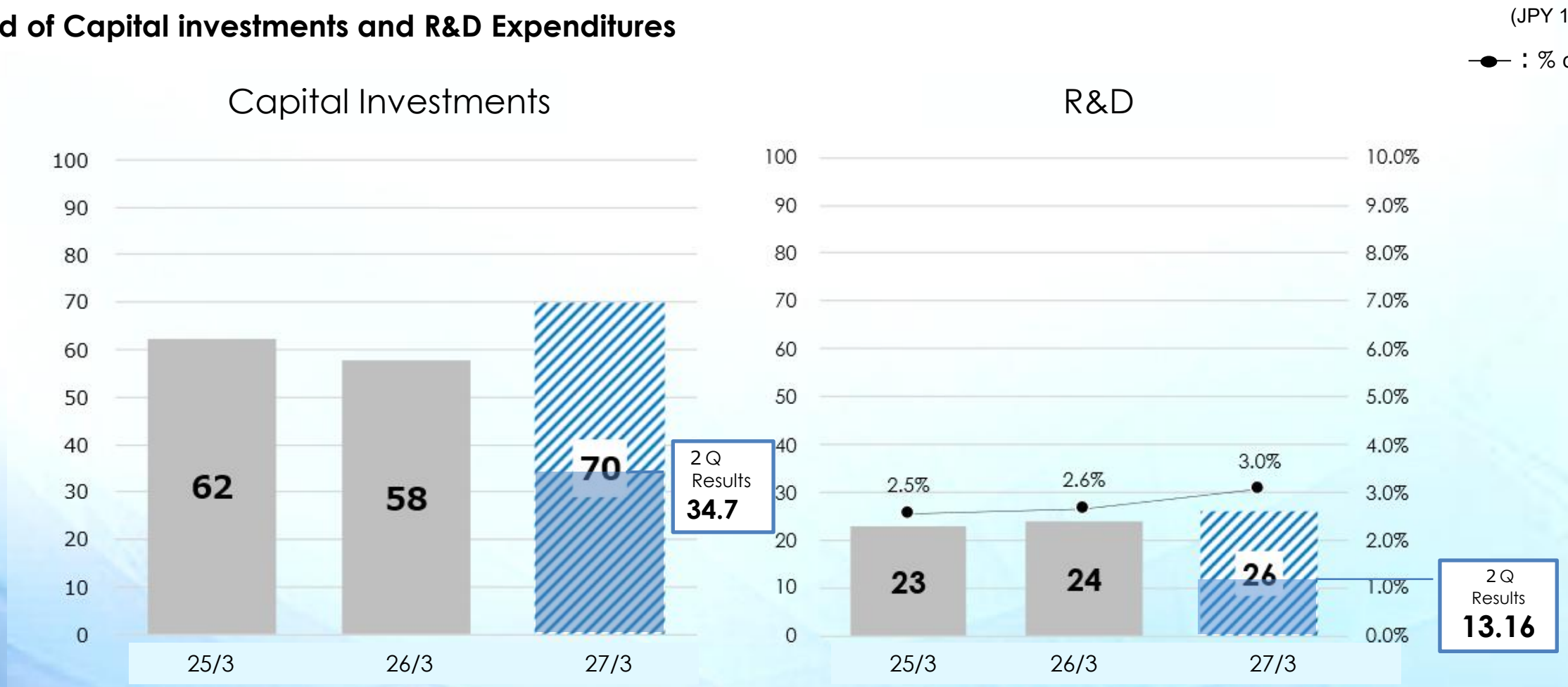
Strengthen local production in China, the world's largest market, and expand sales.

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5. Progress of Business Initiatives

Trend of Capital investments and R&D Expenditures

(JPY 100M)



Most of our operating cash flow is being invested in capital expenditures, while R&D spending is progressing as planned.

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6. Toward the Next Medium-Term Management Plan

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6. Toward the Next Medium-Term Management Plan

Toward the Next Medium-Term Management Plan

FY 2026 Designated as the “TRANSFORMATION PHASE”: Priority on Building a Robust Business Foundation for Sustainable Growth
Enhancement of Earning Power, Strengthening Market Strategy, Strengthening Manufacturing Capabilities, Launch of New Businesses Utilizing M&A

In the second quarter, initiatives under “Enhancement of Earning Power”—particularly reducing loss-making and unprofitable products and promoting cost reductions—proved effective.

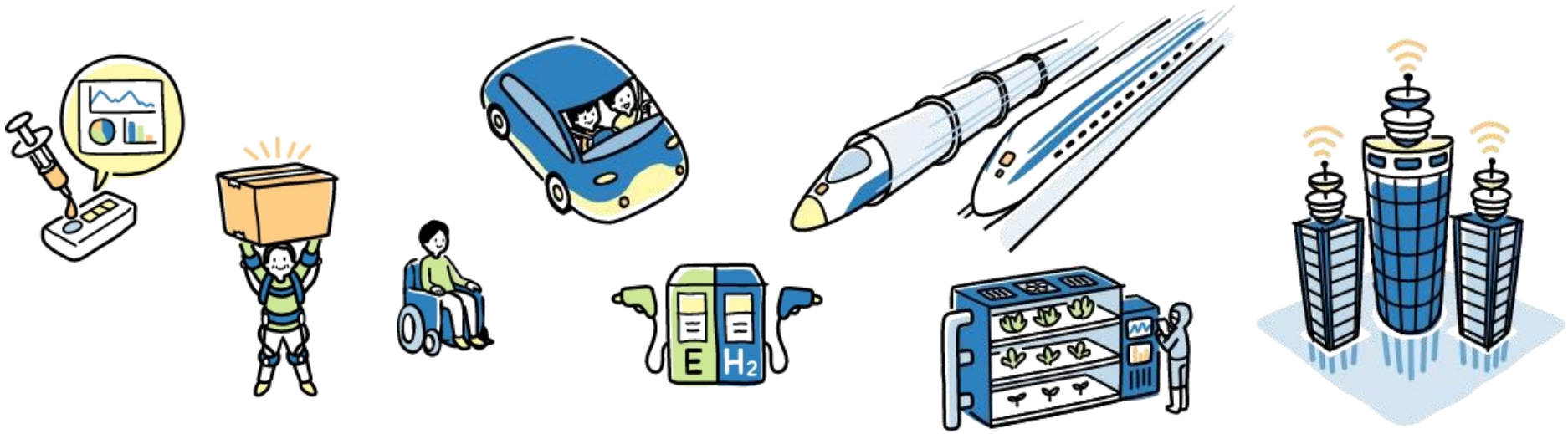
Building on the transformation in FY 2026, in the next medium-term management plan commencing in FY 2027 we will focus on strengthening our earning power to enhance profitability and capital efficiency and aim to achieve sustainable growth and improved corporate value. From a longer-term perspective, we aim to become “a company that is sincerely loved” by contributing to the realization of a sustainable society through the provision of high value-added products and solutions based on our proprietary core technologies.

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FUKOKU

To transform all wishes into excitement.



FUKOKU

Yes, We Do!

Note

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- Any forward-looking statements contained in this document only speak as of the date of this document, and we undertake no obligation to update any information included in this document to reflect new information or future events after the date of this document.

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Fukoku Co., Ltd.

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