



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

November 18, 2025

---

# Financial Results Briefing

2nd Quarter of

FY Ending March 31, 2026

## Yes, We Do!

(translation)

1. Financial Results: Key Points
2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts
3. Status per Segment / Region
4. Initiatives on capital policy
5. Progress of the Medium-Term Management Plan 2026

# 1. Financial Results: Key Points

---

# 1. Financial Results: Key Points

## Results for 2<sup>nd</sup> Quarter of FY Ending March 31, 2026

Net sales: **Slight decrease** — strong sales expansion of new products in Functional Parts Business, offset by weak orders in Anti-Vibration Parts Business and effects of restructuring in Metal Business to improve profitability.

Operating profit: **Decreased** — productivity and rationalization efforts progressed but could not fully absorb increases in raw material and labor costs.

## Forecast for FY Ending March 31, 2026

Continue efforts in the second half to improve profitability via production-process rationalization and variable-cost measures.

Seek to absorb impact of U.S. tariff measures through productivity improvements, rationalization, expense reductions, and variable-cost responses.

Maintain the initial target below.

**Sales**

**88.0 billion**

**Operating profit**

**5.0 billion**

## Dividends

The interim dividend is **42.5 yen** (as planned)

The year-end dividend (remains unchanged): **42.5 yen (10 yen increase YoY)**  
for an annual dividend of **85.0 yen**.

## **2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts**

---

## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

### Summary of results

(JPY Millions)

|                                 | FY ended March 31,<br><b>2025</b> | FY ended March 31,<br><b>2026</b>   | Change   | Change rate    |
|---------------------------------|-----------------------------------|---|----------|----------------|
|                                 | 2Q Results                        | 2Q Results  |          |                |
| Net sales                       | 44,585                            | <b>44,372</b>   | △ 213    | △ <b>0.5%</b>  |
| Operating profit                | 2,060                             | <b>1,549</b>  | △ 511    | △ <b>24.8%</b> |
| (Operating profit to net sales) | (4.6%)                            | <b>(3.5%)</b>    | (△1.1pp) |                |
| Ordinary profit                 | 2,221                             | <b>1,527</b>  | △ 694    | △ <b>31.2%</b> |
| (Ordinary profit to net sales)  | (5.0%)                            | <b>(3.4%)</b>  | (△1.6pp) |                |
| Profit                          | 1,542                             | <b>948</b>  | △ 594    | △ <b>38.5%</b> |
| (Profit to net sales)           | (3.5%)                            | <b>(2.1%)</b>   | (△1.4pp) |                |

\*pp = percentage point

The increases in raw material and labor costs could not be fully absorbed through productivity improvements, rationalization, and variable cost responses, resulting in a decline in profit.

## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

### Forecast of results

(JPY Millions)

|   | FY ended March 31,<br><b>2025</b> | FY ending March 31,<br><b>2026</b>  | Change           | Change rate   |
|---|-----------------------------------|-------------------------------------|------------------|---------------|
|   | Results                           | Forecast                            |                  |               |
| Net sales   | 89,657                            | <b>88,000</b>                       | △1,657           | △ <b>1.8%</b> |
| Operating profit<br>(Operating profit to net sales) | 4,721<br>(5.3%)                   | <b>5,000</b><br>(5.7%) <sup>▼</sup> | +279<br>(+0.4pp) | <b>+5.9%</b>  |
| Ordinary profit<br>(Ordinary profit to net sales)   | 4,569<br>(5.1%)                   | <b>5,000</b><br>(5.7%) <sup>▼</sup> | +431<br>(+0.6pp) | <b>+9.4%</b>  |
| Profit<br>(Profit to net sales)                     | 2,931<br>(3.3%)                   | <b>3,500</b><br>(4.0%)              | +569<br>(+0.7pp) | <b>+19.4%</b> |

\*pp = percentage point

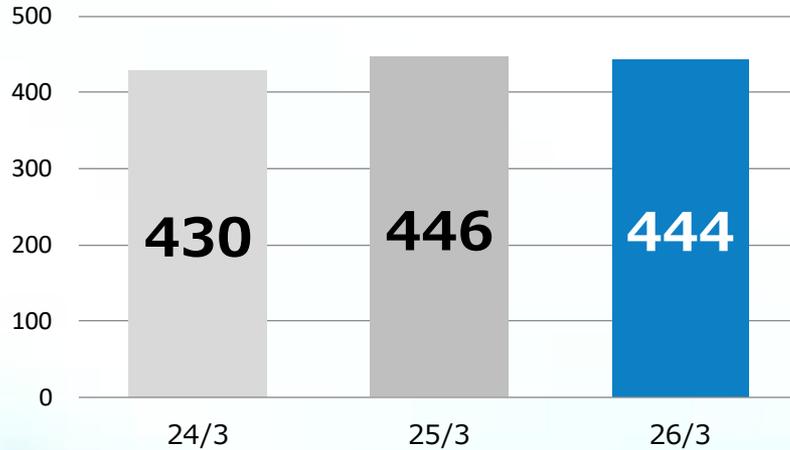
Sales declined slightly due to foreign exchange and other factors, but we expect profit to increase as we implement variable-cost measures and rationalization and recover in the 2nd half

## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

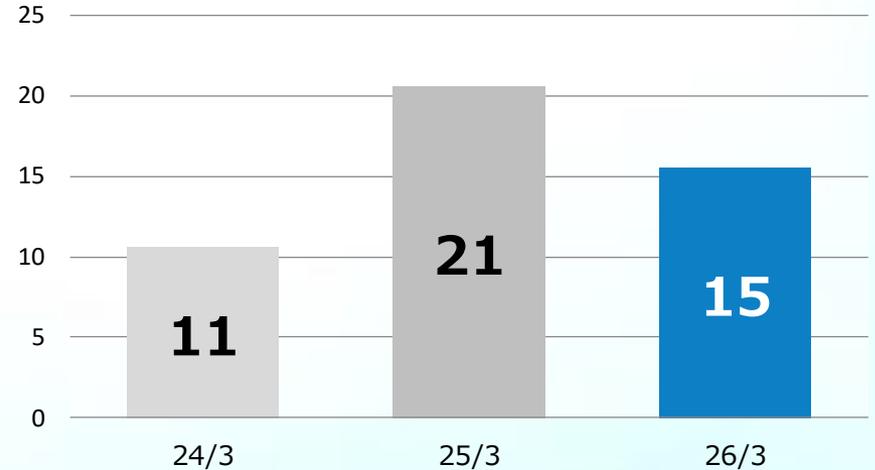
### Business performance trends (1<sup>st</sup> Half)

(JPY 100 Millions)

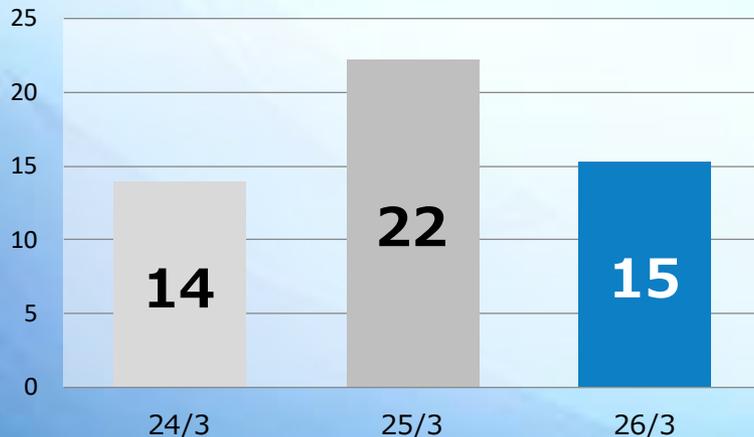
#### Net sales



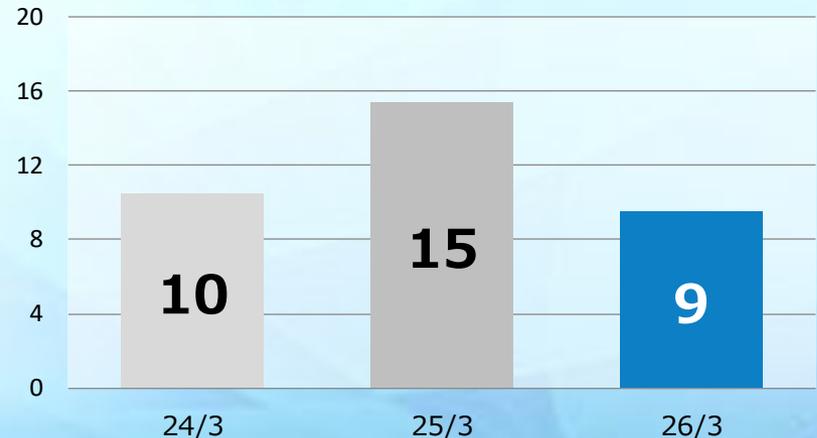
#### Operating profit



#### Ordinary profit



#### Profit

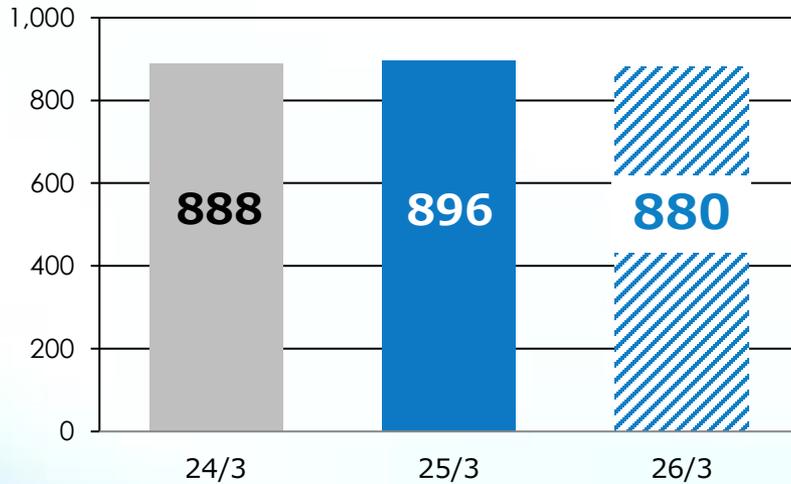


## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

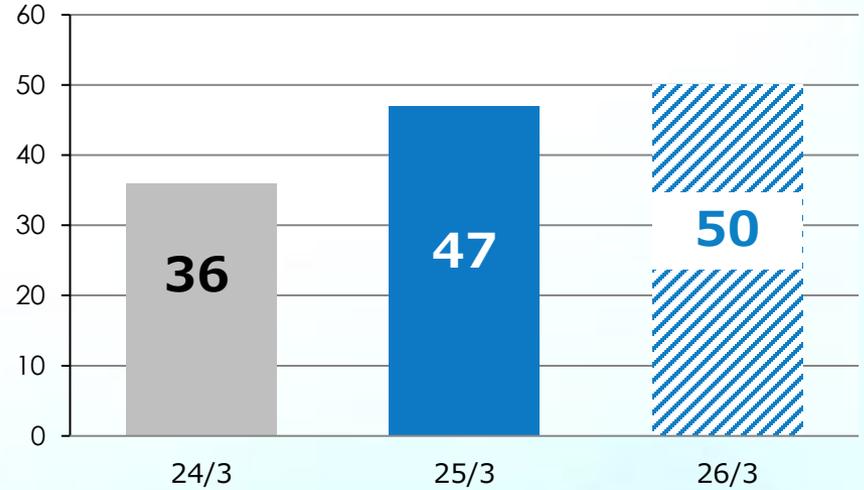
Forecast of results

(JPY 100 Millions)

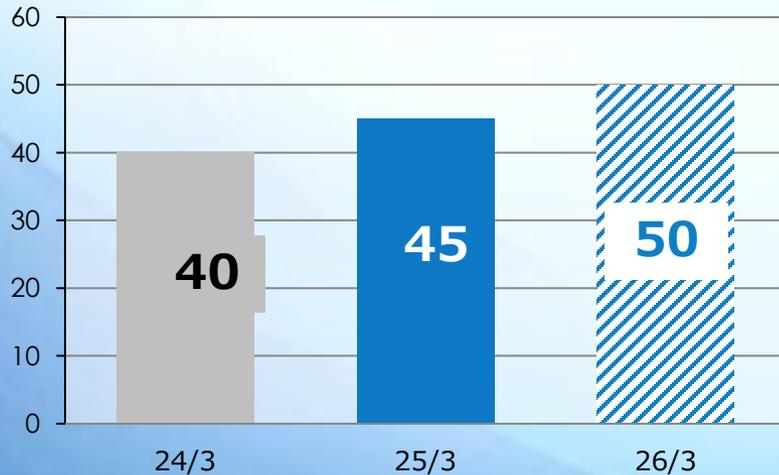
### Net sales



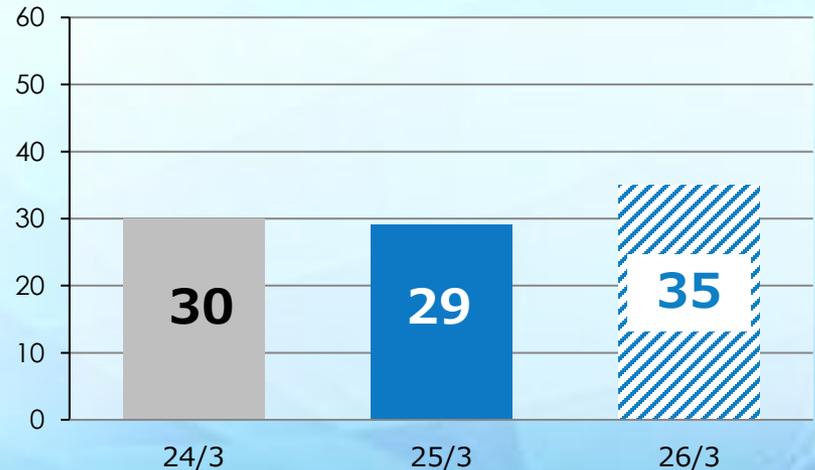
### Operating profit



### Ordinary profit



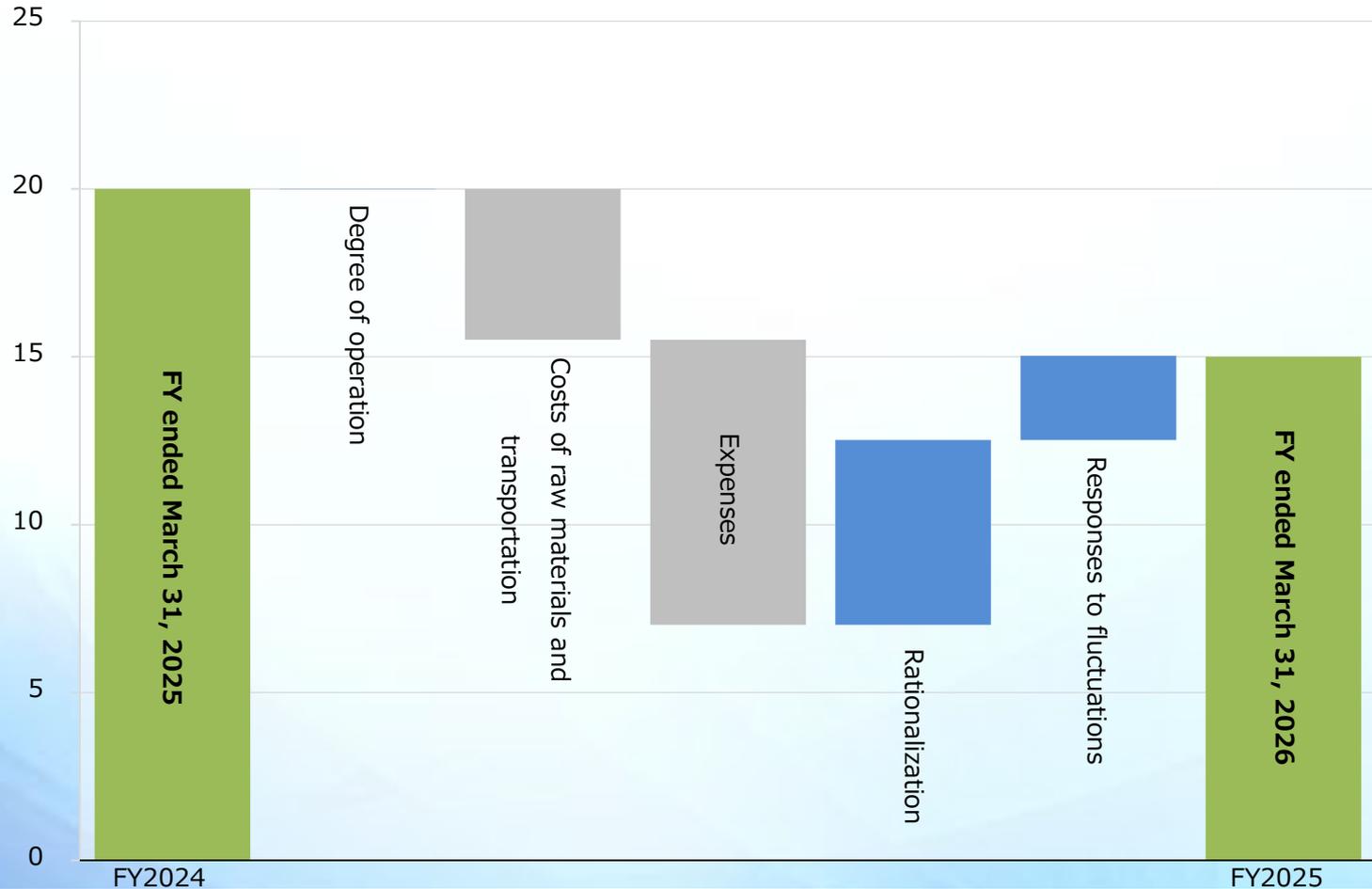
### Profit



## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

Difference \_ operating profit (YoY)

(JPY 100 Millions)

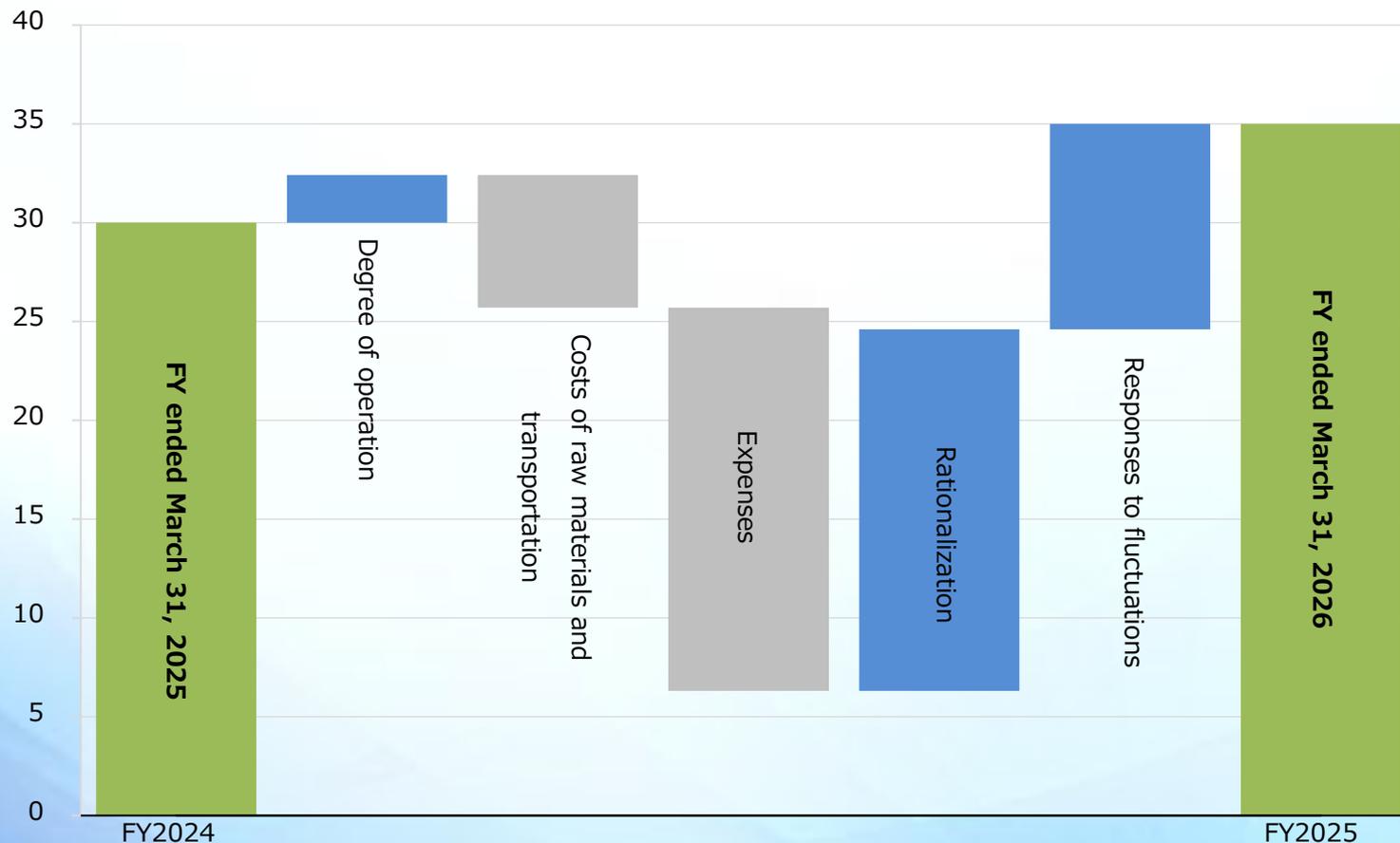


**We will recover the higher raw material costs and the increase in strategic personnel expenses in the second half**

## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

Difference \_ operating profit (YoY)

(JPY 100 Millions)



As planned at the beginning of the fiscal year, we will pursue variable-cost measures and rationalization and expect to improve profitability through a second-half recovery.

## 2. Second quarter results for the fiscal year ending March 2026 and full-year forecasts

### Financial Position, Cash Flow (Consolidated)

(JPY Millions)

| PL               | Results as of<br>September 30,<br>2024 | Results as of<br>September 30,<br>2025 | Change (YoY) |
|------------------|--|--|--------------|
| Sales            | 44,585                                 | 44,372                                 | △ 213        |
| Operating profit | 2,060                                  | 1,549                                  | △ 511        |
| Ordinary profit  | 2,221                                  | 1,527                                  | △ 694        |
| Net income       | 1,542                                  | 948                                    | △ 594        |

| BS                               | Results as of<br>March 31, 2025 | Results as of<br>September 30,<br>2025 | Change (YoY) |
|----------------------------------|---------------------------------|--|--------------|
| Total current assets             | 45,597                          | 43,327                                 | △ 2,270      |
| Total non-current assets         | 33,804                          | 33,101                                 | △ 703        |
| Total assets                     | 79,402                          | 76,428                                 | △ 2,974      |
| Total liabilities                | 33,465                          | 31,821                                 | △ 1,644      |
| Total shareholders' equity       | 43,274                          | 41,976                                 | △ 1,298      |
| Total net assets                 | 45,936                          | 44,607                                 | △ 1,329      |
| Total liabilities and net assets | 79,402                          | 76,428                                 | △ 2,974      |

| CF                           | Results as of<br>September 30,<br>2024 | Results as of<br>September 30,<br>2025 | Change (YoY) |
|------------------------------|--|--|--------------|
| CF from operating activities | 2,074                                  | 3,944                                  | 1,870        |
| CF from investing activities | △ 3,356                                | △ 2,964                                | 392          |
| CF from financing activities | 89                                     | △ 1,557                                | △ 1,646      |
| Free cash flow               | △ 1,281                                | 980                                    | 2,261        |

- Sales of Functional, Life Sciences and Hose are stable
- Metal focused Portfolio to Improve Profitability.

- *Assets down: cash reduced by CAPEX & loan repayments*
- *Liabilities down: lower borrowings*
- *Net assets down: weaker FX translation reserve*

- *Financing CF down temporarily due to early loan repayments*

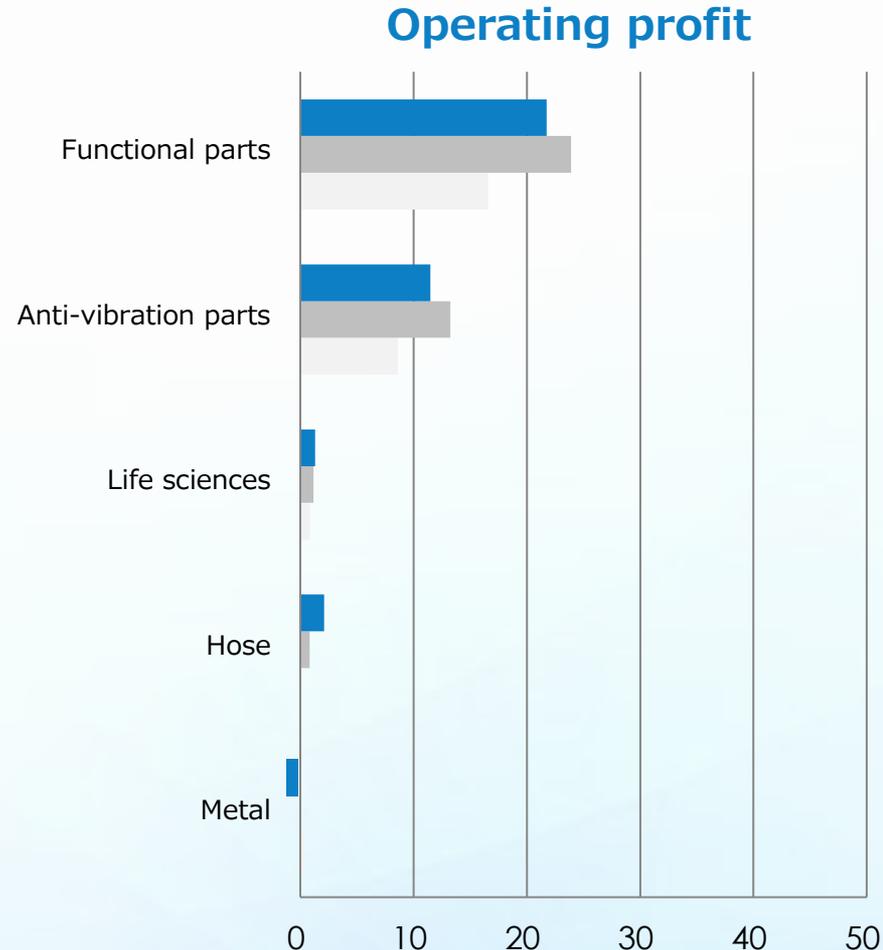
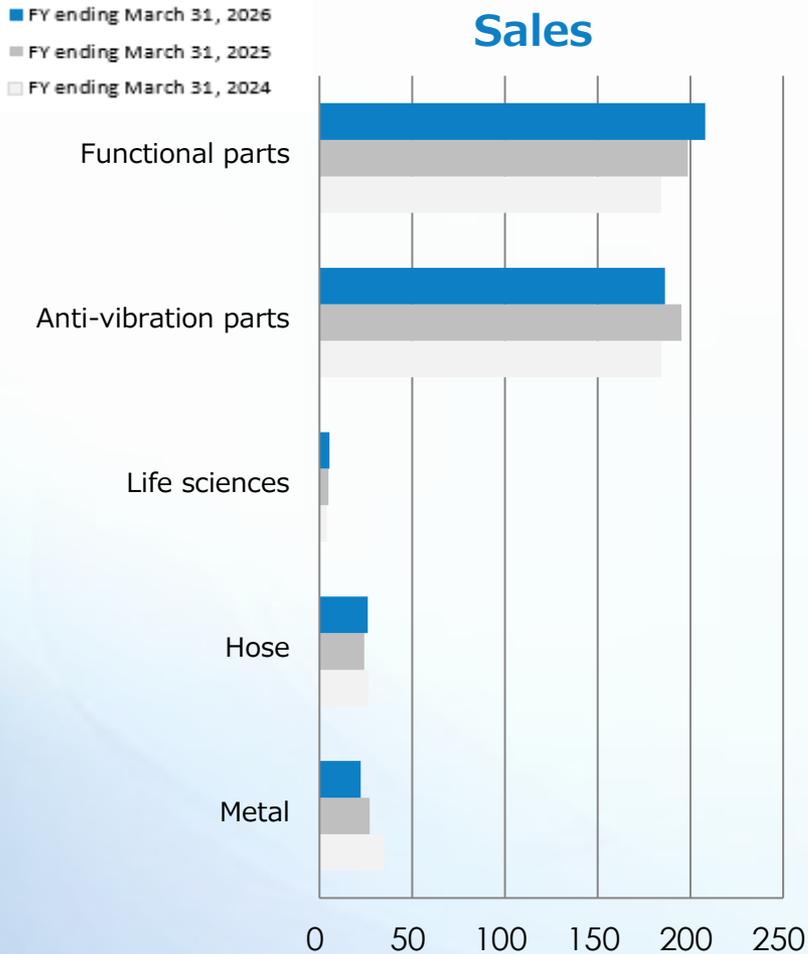
## **3. Status per Segment/Region**

---

# 3. Status per Segment/Region

Per segment (1<sup>st</sup> Half)

(JPY 100 Millions)  
\*Before consolidation adjustments



**Profits declined in Functional Parts, Ant-Vibration and Metal, while Hose and Life Sciences remained steady and posted gains**

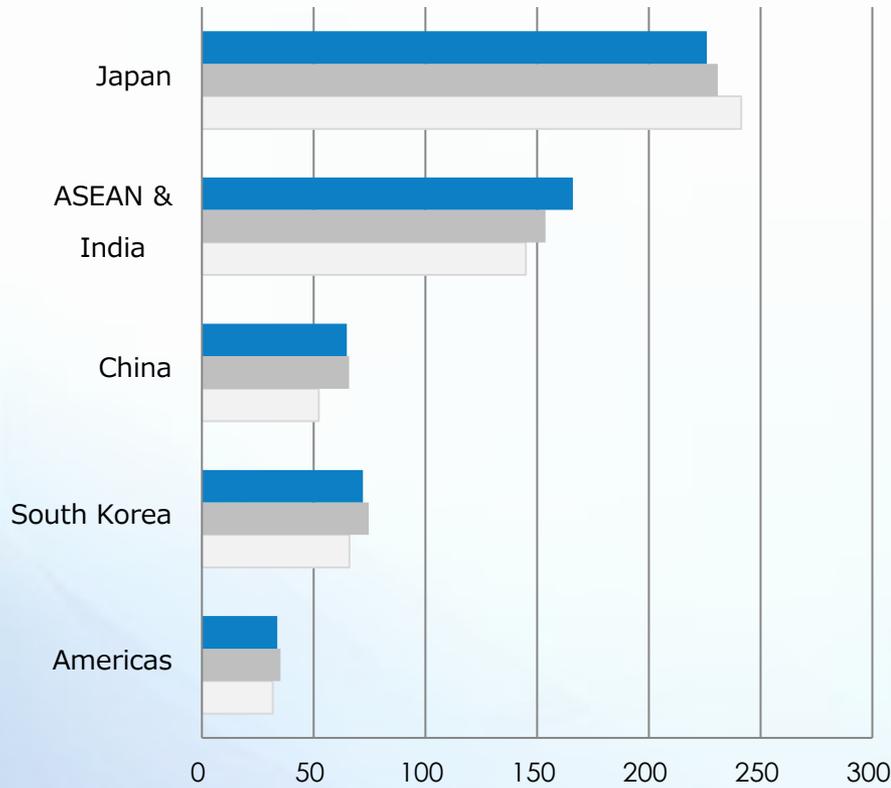
# 3. Status per Segment/Region

Per region (1<sup>st</sup> Half)

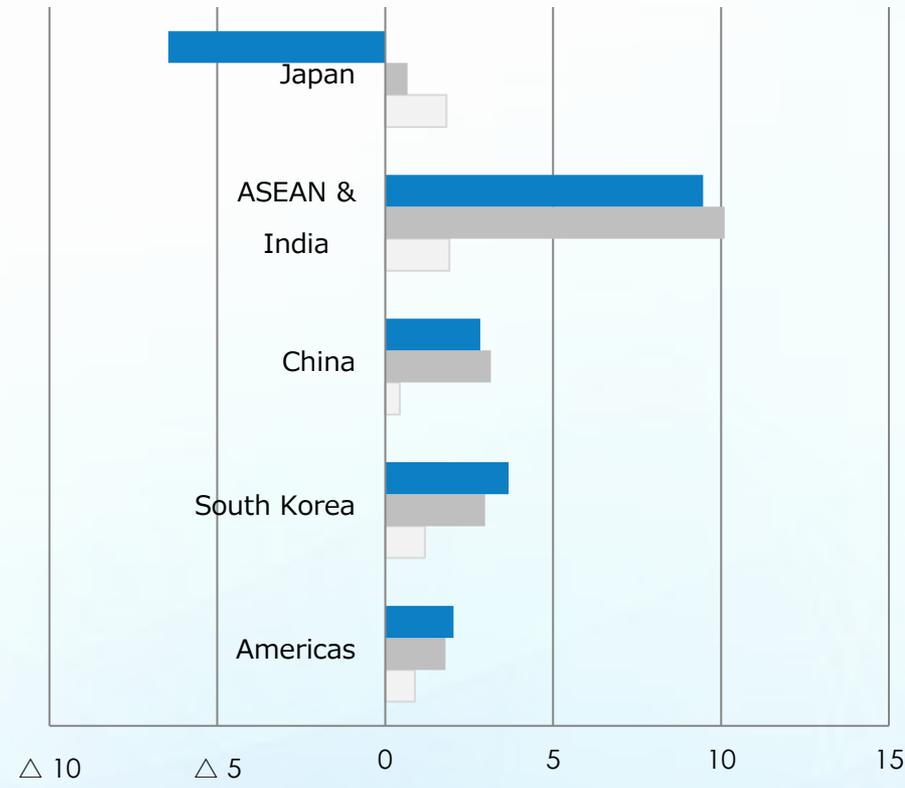
(JPY 100 Millions)  
\*Before consolidation adjustments

- FY ending March 31, 2026
- FY ending March 31, 2025
- FY ending March 31, 2024

## Sales



## Operating Profit



**Japan Area was affected by higher labor costs and business restructuring to improve profitability, while overseas operations remained at about the same level as the previous year**

## 4. Initiatives on capital policy

---

# 4. Initiatives on capital policy

## Management with awareness of capital cost

- Basic management policy: ROE (return on equity) should continuously exceed the capital cost (approximately 8%).

## Policy regarding the share price

- Considering measures to improve PBR on the Tokyo Stock Exchange; a share price that exceeds 1.0x PBR is appropriate.



## Pursuing Capital-Cost-Aware Management to Improve ROE & PBR

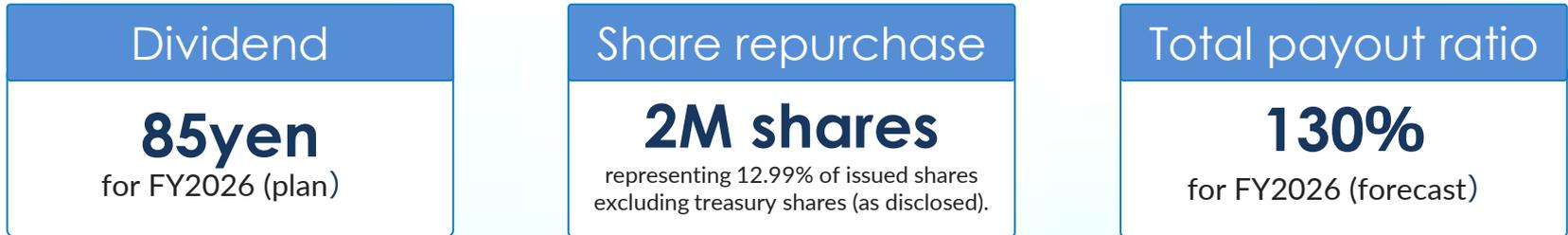
# 4. Initiatives on capital policy

## Dividend

- Dividend policy: Target consolidated payout ratio of 30% and a minimum annual dividend of 20 yen per share.
- This fiscal year's dividend is planned to increase by 10 yen from the previous year to 85 yen (42.5 yen for interim and 42.5 yen for year-end).

## Share repurchase

- Acquisition of treasury shares from founding family-related parties was conducted. (Disclosed Nov 5, 2025)



**We aim to enhance corporate value sustainably and strengthen shareholder returns**

## **5. Progress of the New Medium-Term Management Plan 2026**

---

# 5. Progress of the New Medium-Term Management Plan 2026

## Changes since formulation of the Medium-Term Plan

### Changes since plan formulation in 2023

Continued unstable international environment

U.S. tariff measures

Rising commodity and raw-material prices

Foreign exchange volatility

Slowdown in automotive electrification (BEV)



### Key Responses

Promote rationalization and variable-cost measures

Strengthen initiatives in the North American market

Promote FX hedging



Ongoing promotion of existing components in regions with strong ICE demand

Continue development of electrification components and new

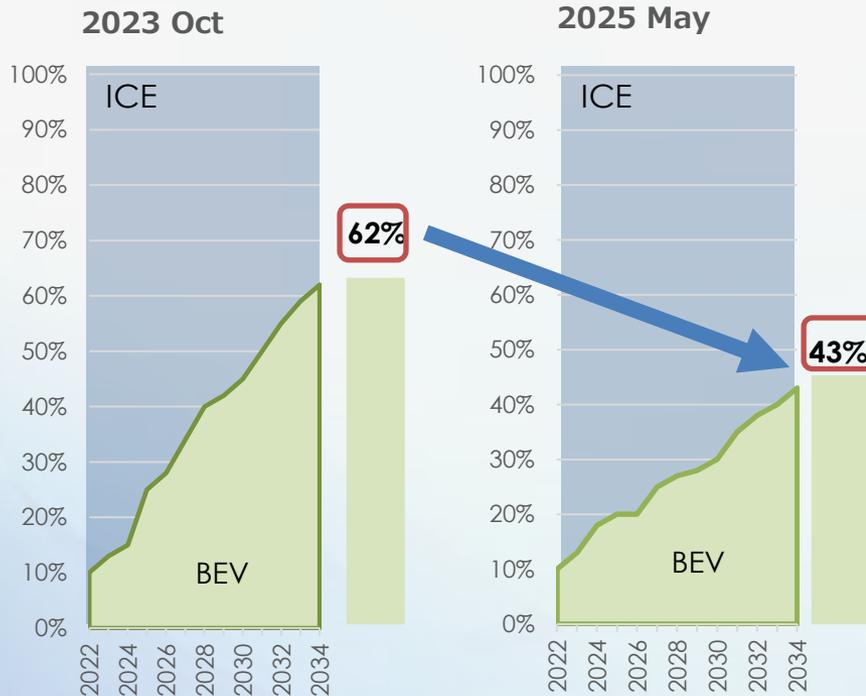
**Anticipate global environmental shifts and maintain flexible response**

# 5. Progress of the New Medium-Term Management Plan 2026

Changes since formulation of the Medium-Term Plan

## Slowing of the Electrification Shift

Changes in Global Electrification Growth Forecasts



Source : HIS/SAP global

- Growth expectations for vehicle electrification have decelerated over 1.5 years
- We expect to maintain the medium- to long-term growth trajectory of electrification and will steadily pursue development of related products
- In some regions, ICE component demand is expected to persist — we will respond accordingly

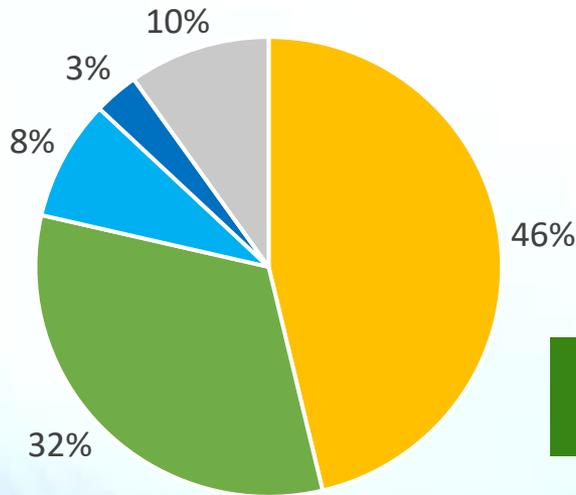
**Monitor electrification trends and respond flexibly to regional variations**

# 5. Progress of the New Medium-Term Management Plan 2026

Changes since formulation of the Medium-Term Plan

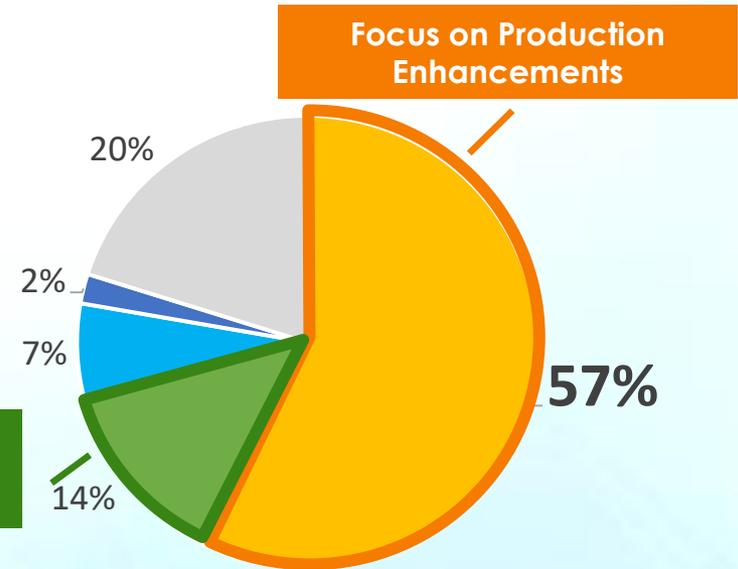
## Capital Expenditure — H1 FY2026 Status

- Production enhancements
- New business creation
- R&D
- Environmental
- Others



Medium-term CAPEX target 2024 ▶ 2026  
Total 21.0 billion yen

Review investment schedule



Actual investment FY2024 ▶ H1 of FY2025  
Total 9.1 billion yen

Against the 21.0 billion yen target in the Medium-Term Plan, **9.1 billion yen** was invested by 1H FY2025. Due to BEV adoption headwinds, we have deferred some new-creation investments and are focusing on rationalization-led production strengthening to secure profitability.

\*DX investment to date (H1 FY2025): 0.28 billion yen

# 5. Progress of the New Medium-Term Management Plan 2026

## Enhancing existing businesses

- Growing sales through solutions businesses

### Strengthen solution-business capabilities

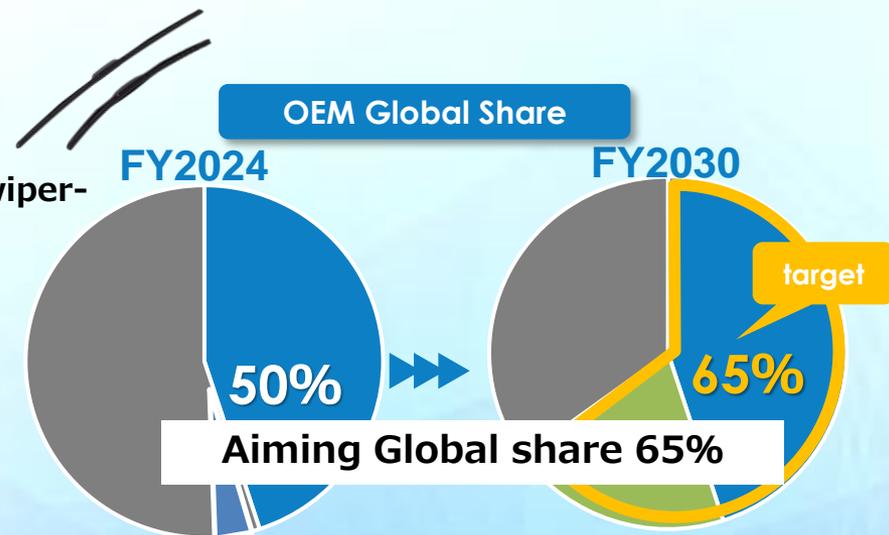
Expand sales by offering solution-based engagement from design/development stages to significantly shorten development lead time



- Enhance functions and utilization of Shanghai Technical Center; expand evaluation equipment



- Promote sales expansion to China-headquartered wiper-system manufacturers and increase model wins
- For Chinese customers, alongside new-customer acquisition, actively expand existing products beyond wipers



Achieve 65% global wiper market share by 2030 via solution business to Chinese customers

# 5. Progress of the New Medium-Term Management Plan 2026

## Enhancing existing businesses

### -Growing sales to high-growth regions (India)

**Strengthen R&D**

Expanded technical-center equipment

**Mutual reinforcement**

Business collaboration with local companies

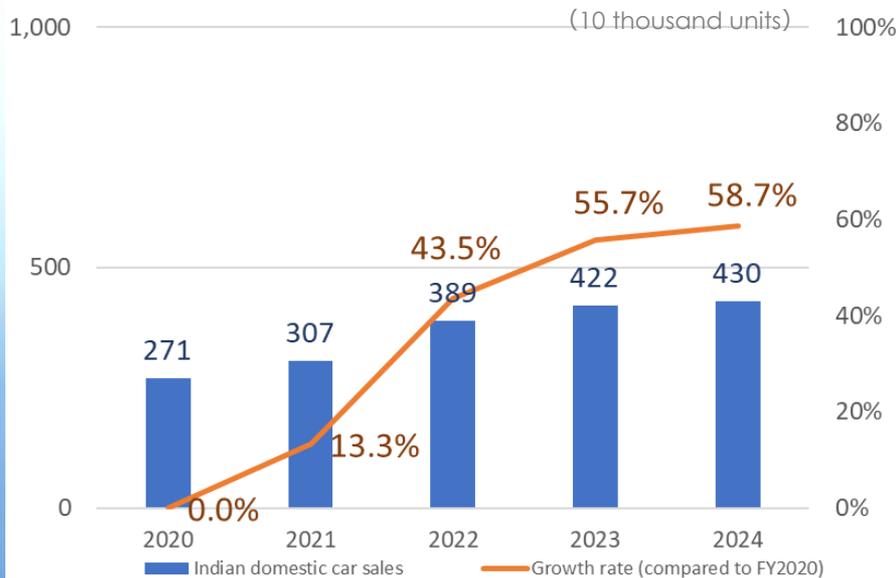
**Promote sales**

Opened Gurugram Sales office

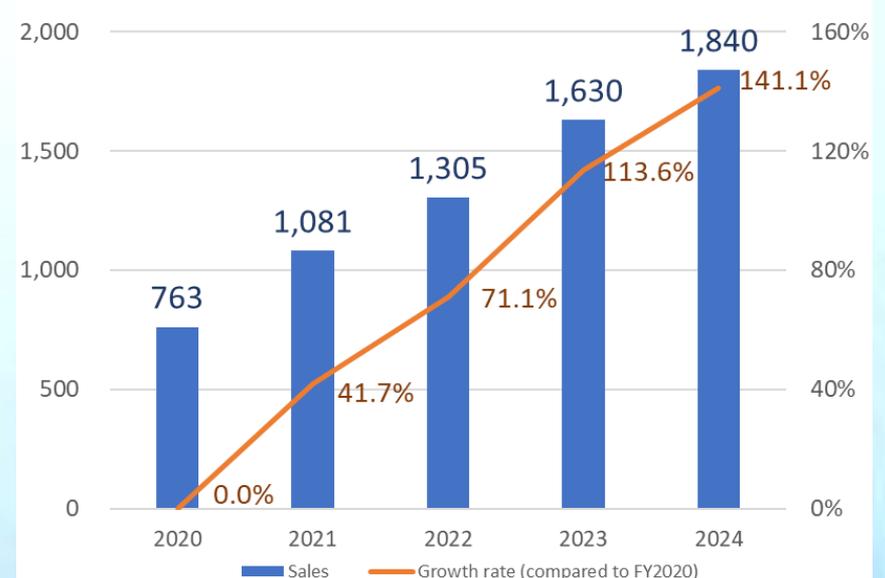
**Strengthen price competitiveness**

Casting plant entered full-scale operation

■ India domestic passenger-car sales growth



■ Fukoku India sales growth has outpaced



**Continue to capture persistent ICE demand in India and sustain growth above market**

# 5. Progress of the New Medium-Term Management Plan 2026

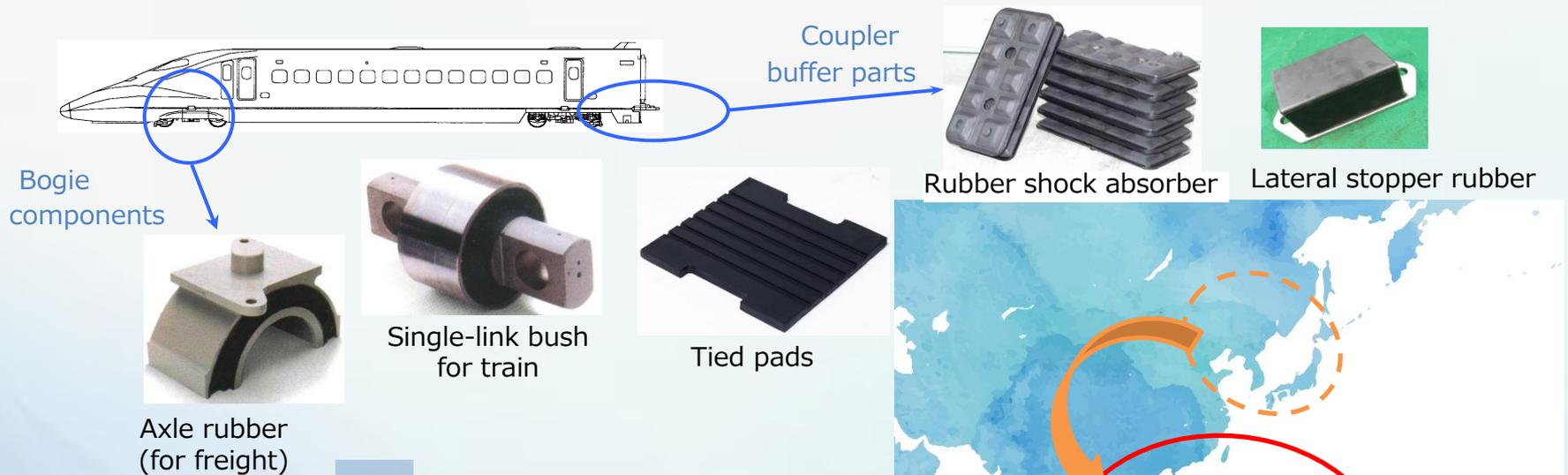
## Enhancing existing businesses

-Expand the results/track record acquired in Japan into the ASEAN region

### Railway-Related Business — High Entry-Barrier Products

Railway parts require high safety standards and present high entry barriers.

We receive orders for replacement parts and supply a wide range of vehicles in Japan — from standard rolling stock to Shinkansen and maglev — and have proven results in Chinese railways.

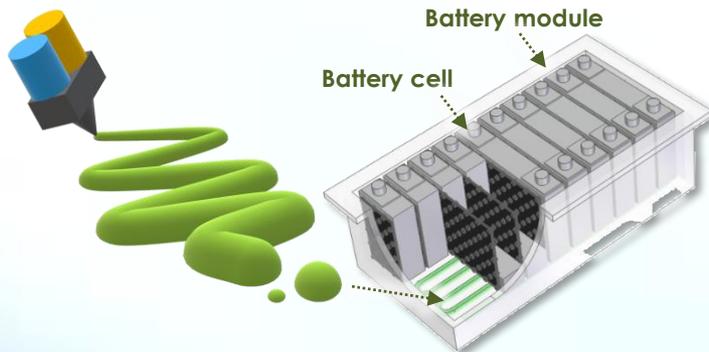
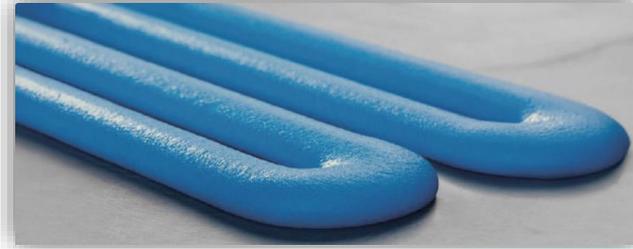


Leverage Japan & China track record to strengthen sales expansion into ASEAN markets

# 5. Progress of the New Medium-Term Management Plan 2026

## Growing growth businesses and new businesses - Battery peripheral products

### Thermal gap filler



- Adopted in Hyundai Motor and KIA SUVs in South Korea
- Promoting expanded sales to increase vehicle applications

*Thermal gap filler helps dissipate heat efficiently and contributes to improving battery performance*



Adopted in KIA small SUV “EV3” and Hyundai SUV “Casper”



Received Excellent Supplier Award from Hyundai Motor

## 5. Progress of the New Medium-Term Management Plan 2026

# Expansion of growth/new businesses

## - Life science products

### Cell culture bags and media

Began sales expansion activities in China

### Enhance Medium Development and Expand Cell-Specific Media

- Medium for lymphocytes and Medium for mesenchymal stem cells

### Expanding bag applications

- Cell cryopreservation bag: excellent shock resistance at ultra-low temperatures ( $-196^{\circ}\text{C}$ ), enabling cell cryopreservation
- Drainage bag: decided for medical use (scheduled to be launched in FY2025)



Cell cryopreservation bag



Cell culture bags and media

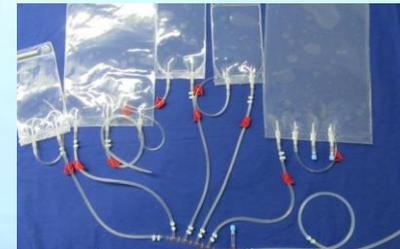
### Promoting joint research with academia

#### •Research at Kanazawa Medical University

“Development research toward clinical application: osteoarthritis of the knee” uses Fukoku products (SphereRing, mesenchymal stem cell media)

*A thesis for the theme has also been submitted.*

-In a joint research project with the Institute of Medical Science, The University of Tokyo, developed a “system bag” for gene therapy.



System bag



SphereRing®

# 5. Progress of the New Medium-Term Management Plan 2026

## Strengthening management foundation and organizational structure

### Business Creation Office

- Expand growth businesses and new businesses
- Improve added value of existing businesses
- Promote commercialization
- Pioneer new industries and fields

### PCH (PHI Communication Hub)

- Communicate the company's technologies to customers



### Director in charge of business integration

- Organically link each segment
- Comprehensively strengthen existing businesses

### CFO (Chief Financial Officer)

- Promote management strategy
- Maximize profitability

### CTO (Chief Technology Officer)

- Strengthen and utilize core technological strengths
- Reinforce existing businesses, realize expansion of growth and new businesses







---

# Yes, We Do!

## Note

- ◆ This document contains forward-looking statements including strategies and management plans of Fukoku Co., Ltd. and its group companies. All statements contained in this document, other than statements regarding past and present facts, are forward-looking statements. These forward-looking statements are based on assumptions and judgments that Fukoku Co., Ltd. and the Fukoku Group have made in light of the information currently available, and are thus inherently subject to risks and uncertainties. As such, the business environment surrounding us, future performance, and management results may differ from those presented in this document.
- ◆ 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.

November 18, 2025  
Fukoku Co., Ltd.

# Appendix

---

# Trend of R&D Expenditures, Depreciation and Capital investments

## Trend of R&D Expenditures, Depreciation and Capital investments

