



May 15, 2026

News Release (translation)

Company name: FUKOKU Co., Ltd.  
Representative: Ikuo Oshiro, President & CEO  
Securities code: 5185; TSE Prime  
Inquiries: Yoshisuke Matsuoka, Director,  
and Corporate Officer, CFO  
(Telephone: +81-48-615-4400)

### **Notice Concerning Withdrawal of Financial Targets for the Final Fiscal Year of the Medium-Term Management Plan**

#### (1) Withdrawal of Financial Targets in the Medium-Term Management Plan

FUKOKU Co., Ltd. (the “Company”) announced the New Medium-Term Management Plan 2026 on June 30, 2023, covering the period through the fiscal year ending March 31, 2027, and has been working toward achieving the financial targets set forth therein.

However, the full-year consolidated financial forecast for the fiscal year ending March 31, 2027 is expected to significantly deviate from the targets originally set in the New Medium-Term Management Plan 2026.

The New Medium-Term Management Plan 2026 was formulated based on assumptions such as the progress of electrification (BEV adoption) in the automotive industry, a recovery in global demand, and an expansion in semiconductor demand. However, the business environment surrounding the Company has changed significantly, including stagnation in the BEV market, production fluctuations among OEMs, and persistently high raw material prices. Under such circumstances, it has become difficult to address these changes through internal efforts alone. In light of these changes, the Company believes that a certain level of revision is necessary for growth based on the current trajectory.

Accordingly, the Company will prioritize the expansion of earnings and the improvement of capital efficiency, and will strengthen its business operations to achieve these objectives. The fiscal year 2026 has been positioned as a “transformation phase,” and the Company has commenced management reforms aimed at achieving future growth. As a result, the Company has decided to withdraw the numerical targets set forth in the current Medium-Term Management Plan.

Final-Year Targets of the New Medium-Term Management Plan 2026 (as initially announced) and Full-Year Consolidated Financial Forecast for the fiscal year ending March 31, 2027

	Targets (as initially announced) June 2023	Full-year consolidated financial forecast May 2026	Variance
Net sales (consolidated)	120.0 billion yen	85.0 billion yen	-35.0 billion yen
Operating profit margin	8.0%	3.9%	-4.1%
ROE	12.0%	6.0%	-6.0%

## (2) Toward the Next Phase of Growth

Looking ahead, while the economic recovery is expected to continue, supported by improvements in employment and income conditions as well as the effects of various policy measures, uncertainty in the outlook has further increased. This is due to factors such as the risk of a downturn in the economy stemming from developments in U.S. trade policy and continued inflation, heightened geopolitical risks associated with escalating tensions and instability in the Middle East, and potential negative impacts on supply chains resulting from fluctuations in energy and raw material prices.

In the automotive industry, although production volumes are expected to continue their steady recovery trend, albeit with regional differences, careful monitoring of future market developments will be required with regard to electrification, including BEVs. While the medium- to long-term expansion of the electrified vehicle market is anticipated, the market is currently undergoing a period of adjustment.

Under these circumstances, as stated above, the Company has positioned fiscal year 2026 as a “transformation phase” and will undertake reforms with strong management commitment. Specifically, the Company will implement the following initiatives:

- **Enhancement of earning power:** Reduction of loss-making and low-profit products and promotion of cost reductions
- **Strengthening of market strategy:** Reinforcement of initiatives in markets where the Company can leverage its product and market strengths
- **Enhancement of manufacturing capabilities:** Reform of development, production, and manufacturing processes to realize next-generation production methods
- **Creation of new businesses including the use of M&A:** Promotion of new business creation including the utilization of M&A

Based on the transformation initiatives in fiscal year 2026, in the next Medium-Term Management Plan commencing in fiscal year 2027, the Company will aim to enhance profitability and capital efficiency, centered on strengthening its earning power, and achieve sustainable growth and enhancement of corporate value.

From a longer-term perspective, the Company aims to become a “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 its proprietary core technologies.

The above forecasts represent the Company’s best judgment based on the information currently available. For various reasons, actual results may vary from these forecasts.

\*Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. (End)