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May 9, 2025

Company name: **F.C.C. CO., LTD.**
Listing: Tokyo Stock Exchange
Securities code: 7296
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Notice on Recording Compensation Cost for Product Warranty

F.C.C.CO.,LTD. (hereinafter the “Company”) hereby announces as follows that the Company has decided to record compensation cost (Provision for product warranty) in the fourth quarter of the fiscal year ended March 31, 2025.

1. Contents

Repair expenses (i.e. compensation cost) for defects in some products delivered to certain customer in the United States have been recorded based upon objective facts available at the time and reasonable judgment. The repair expenses to this defect countermeasure have been calculated primarily by multiplying (1) estimated number of cases by (2) per unit estimated repair cost. The number of cases has been estimated based upon the total number of repairs reasonably expected to occur during the period which market measures are expected to exist (i.e. warranty period), excluding the number of units for which repair costs have already been determined based on claims from customers by the end of the fiscal year.

Since a further extension of the warranty period for vehicles equipped with the said product as a market measure has been made by the customer, the Company has recorded ¥3,516 million in compensation cost to the customer (Provision for product warranty) in "selling, general and administrative expenses" based on a revised forecast of the number of units with defects in the fourth quarter of the fiscal year ended March 31, 2025.

(The total amount of said provision for product warranty recorded in the fiscal year ended March 31, 2025 has been ¥5,452 million.)

2. Impact on earnings

The above-mentioned cost has been reflected in the consolidated financial results for the fiscal year ended March 31, 2025 disclosed on May 9, 2025.

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