



# Financial Results Presentation for the Second Quarter Ended September 30, 2022 (FY2022)

November 8, 2022

FUJITEC CO., LTD.  
(TSE Prime Section: 6406)

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*AirTap  
(Touchless elevator button)*

## The Second Quarter Ended September 30, 2022 (FY2022)

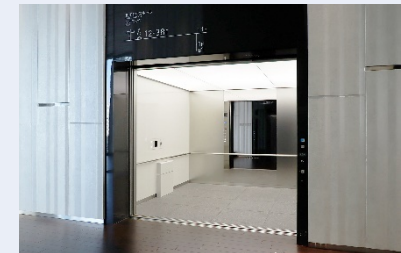
- Sales increased and profit decreased year on year. Net sales amounted to ¥93,221 million, up 7.6%, while operating income amounted to ¥4,810 million, down 42.6%.
- Sales increased in South Asia, the Americas and Europe. Operating income was affected significantly by soaring raw materials prices.
- Orders received totaled ¥100,798 million, up 4.2%. In Japan, demand for mainstay standard models increased and the Aftermarket Business performance was firm. Both new installations and modernization projects were strong overseas.

### Highlights

- Acquired Express Lifts (India) through Fujitec India Pvt. Ltd. We intend to strengthen the business foundation for Fujitec India in the Indian market through strengthened production capacity and expanded sales channels.
- Fujitec Singapore celebrated its 50th anniversary and held a commemorative ceremony in September of this year.
- With the expansion of business in the Osaka area, we opened the new Osaka Metropolitan Office.



Express Lifts headquarters



We delivered an 80-passenger shuttle elevator to the new office building.

**Consolidated Financial Results for the 2Q  
Ended September 30, 2022 (FY2022)**

# Earnings Highlights for FY2022 Q2

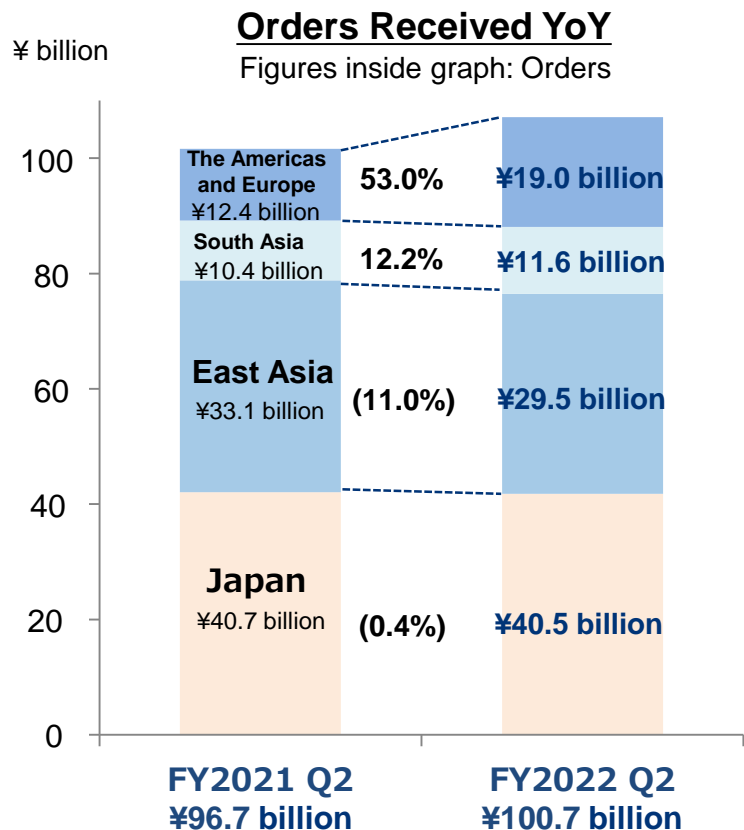
- Sales increased and profits decreased year on year. Profitability declined due to the impact of lockdowns in Shanghai, China, the rapid weakening of the yen, and soaring raw materials prices.

(Amounts less than one million yen are rounded down)

	FY2021 Q2	FY2022 Q2	Change (%)
Net sales	86,622	<b>93,221</b>	7.6
Japan	33,534	<b>33,392</b>	(0.4)
Overseas	53,088	<b>59,829</b>	12.7
Operating income	8,374	<b>4,810</b>	(42.6)
Ordinary income	9,407	<b>6,503</b>	(30.9)
Profit attributable to owners of parent	6,993	<b>4,596</b>	(34.3)
Net income per share	86.14 yen	<b>57.61 yen</b>	—
U.S. dollar-yen exchange rate	107.27 yen	<b>120.91 yen</b>	

# Orders Received for FY2022 Q2

- Orders received increased 4.2% year on year. Mainstay standard models and the Aftermarket Business performed well in Japan. Both the New Installation Business and the Aftermarket Business performed well overseas.



**Japan**

- New Installation Business**  
Orders continued to be firm for mainstay standard models. Orders decreased due to a reactionary decline from large project orders received in the year-ago quarter.
- Aftermarket Business**  
Orders for modernization projects increased due to strong sales of new packaged products. Maintenance performance remained firm with high contract rates.

**Overseas**

- New Installation Business**  
In East Asia, orders increased in Taiwan and Korea and decreased in China and Hong Kong. In South Asia, orders increased in India. In the Americas and Europe, orders increased in the U.S. and the U.K.
- Aftermarket Business**  
Orders for modernization projects increased in the U.K.

# Earnings by Segment for FY2022 Q2

- Net sales increased by more than 30% in South Asia and the Americas and Europe. Japan was affected by stagnant parts procurement due to the lockdowns in Shanghai, China.
- Operating income increased in South Asia. Soaring raw materials prices had a significant impact on profits in Japan, East Asia, and the Americas and Europe.

(Amounts less than one million yen are rounded down)

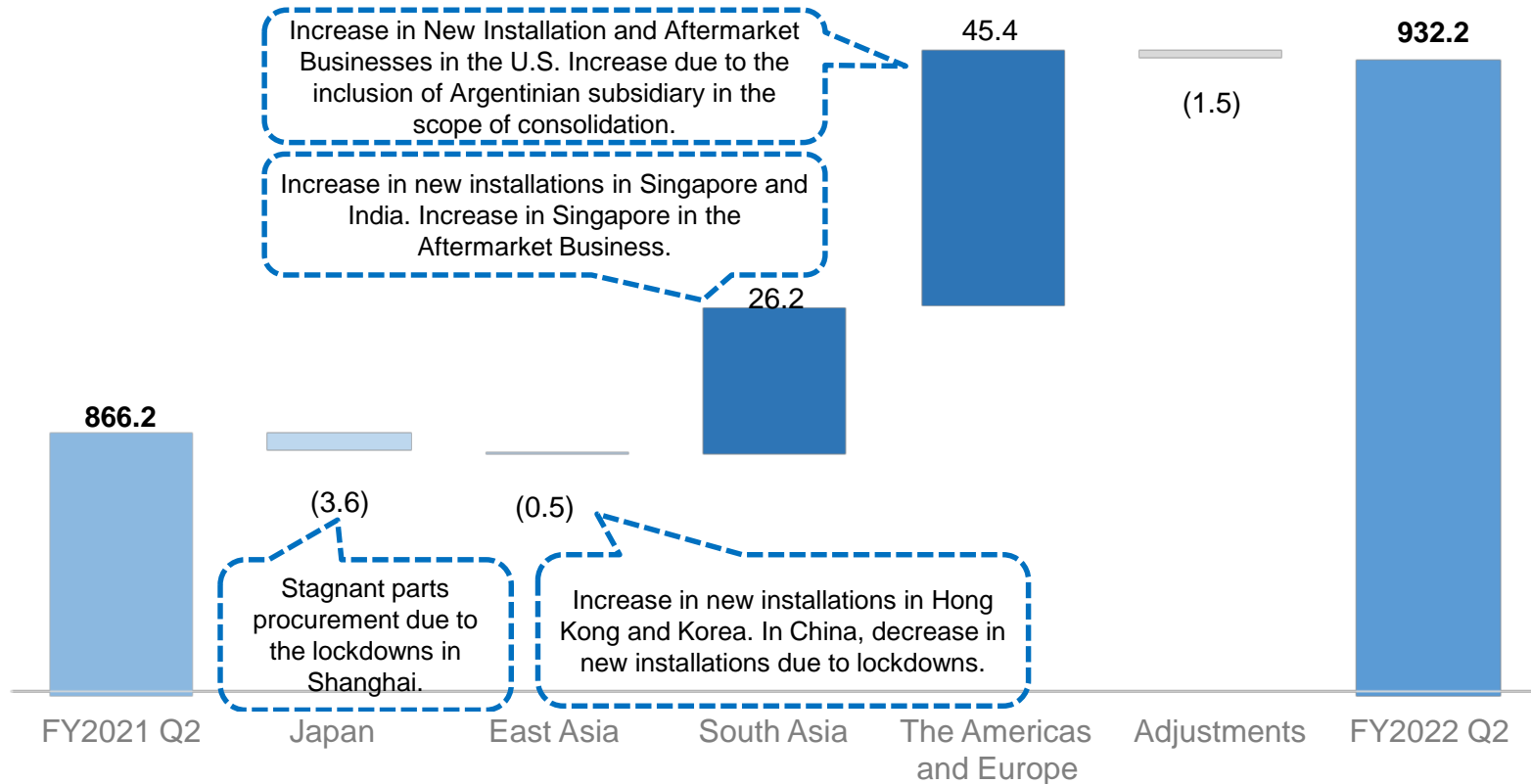
	Net sales			Operating income (loss)		
	FY2021 Q2	FY2022 Q2	Change (%)	FY2021 Q2	FY2022 Q2	Change
Japan	34,940	<b>34,579</b>	(1.0)	2,858	(136)	(2,994)
East Asia	36,048	<b>35,990</b>	(0.2)	3,516	<b>2,019</b>	(1,497)
South Asia	7,966	<b>10,595</b>	33.0	1,372	<b>2,353</b>	980
The Americas and Europe	12,764	<b>17,309</b>	35.6	707	<b>635</b>	(71)
Subtotal	91,720	<b>98,475</b>	7.4	8,455	<b>4,872</b>	(3,582)
Adjustments	(5,097)	<b>(5,253)</b>	—	(80)	<b>(61)</b>	19
<b>Total</b>	86,622	<b>93,221</b>	7.6	8,374	<b>4,810</b>	(3,563)

Effective as of the first quarter of the fiscal year ending March 31, 2023, we changed the segment name from *North America and Europe* to *The Americas and Europe* in conjunction with the inclusion of Fujitec Argentina S.A. in the scope of consolidation

# Net Sales Breakdown for FY2022 Q2

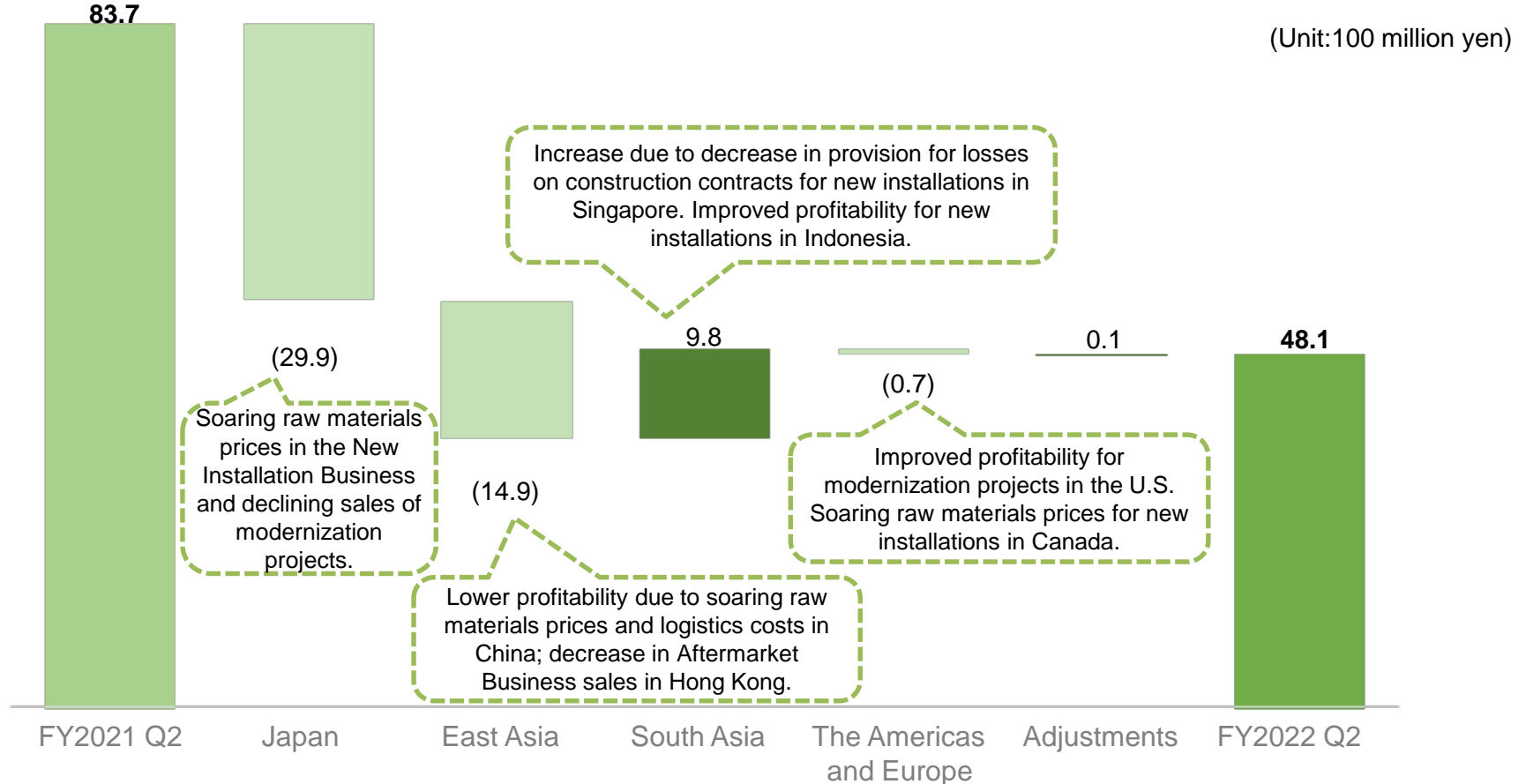
- In South Asia and the Americas and Europe, both the New Installation Business and the Aftermarket Business performed maintained steady growth. The impact of lockdowns in Shanghai, China led to a decrease in sales in Japan.

(Unit:100 million yen)



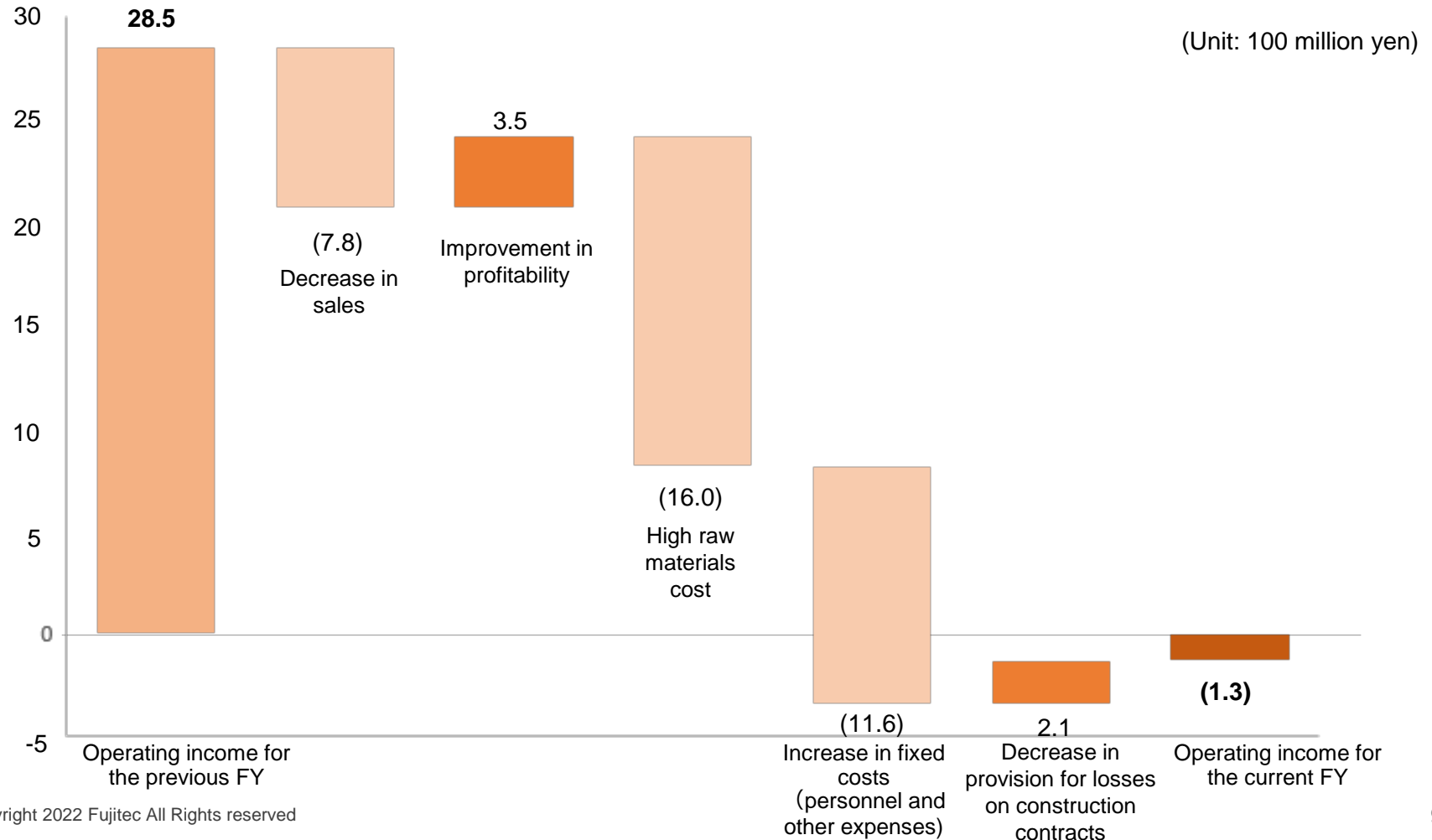
# Operating Income Breakdown for FY2022 Q2

- Profitability declined in Japan and East Asia due to cost increases as a result of soaring raw materials prices.





# Operating Income Factor Analysis for FY2022 Q2 (Japan) **FUJITEC**



# Consolidated Earnings Forecast for FY2022

- Net sales have been revised upward. Profits have been downwardly revised due to a decline in profitability as a result of the sharp depreciation of the yen and soaring raw material prices.
- Dividends are not revised from the most recently announced dividend forecast.

(Amounts less than one million yen are rounded down)

	FY2022		change(%)
	Previous Forecast	Revised Forecast	
Net sales	200,000	207,000	3.5
Operating income	14,700	10,500	(28.6)
Ordinary income	15,600	12,300	(21.2)
Profit attributable to owners of parent	10,200	7,000	(31.4)
Net income per share	125.98 yen	88.41 yen	—
Dividends	75.00	75.00	—

# Earnings Forecast by Segment for FY2022

- Net sales are expected to increase from the previous forecast in South Asia due to the increase in new installations in Singapore and India, and also in the U.S. due to the impact of yen depreciation.
- Profits are expected to decrease in Japan due to the sharp depreciation of the yen and cost increases from the soaring raw material prices. Profits are also expected to decrease in East Asia due to a decline in profitability of new installations as a result of soaring raw material prices in China.

(Amounts less than one million yen are rounded down)

	Net sales			Operating income (loss)		
	Previous Forecast	Revised Forecast	Change (%)	Previous Forecast	Revised Forecast	Change
Japan	78,000	<b>77,000</b>	(1.3)	6,300	<b>2,200</b>	(4,100)
East Asia	85,000	<b>83,000</b>	(2.4)	4,600	<b>3,700</b>	(900)
South Asia	19,000	<b>23,000</b>	21.1	2,400	<b>3,100</b>	700
The Americas and Europe	31,000	<b>37,000</b>	19.4	1,500	<b>1,600</b>	100
Subtotal	213,000	<b>220,000</b>	3.3	14,800	<b>10,600</b>	(4,200)
Adjustments	(13,000)	<b>(13,000)</b>	—	△100	<b>△100</b>	—
Total	200,000	<b>207,000</b>	3.5	14,700	<b>10,500</b>	(4,200)

# Strengthening the Structure for Business Expansion **FUJITEC**

## New Organization

### Field Engineering HQ

- In April this year, we established a new dedicated organization to dramatically improve the efficiency of our installation operation in the area of field engineering and to pursue safety-conscious installation process reform
- We pursued installation cost innovation by developing installation methods and improving installation skills, and began using new installation methods at construction sites

### Human Resources Development HQ



- We established the Human Resource Development HQ in April this year as an organization to embody and implement various measures based on the human resource development policies of Vision24, our medium-term management plan
- We are currently improving human resource development programs for field engineers and pursuing reforms in training by job classification and job level

## Expanding Business Foundations in Growth Markets

### Acquisition of Express Lifts (India)

- We acquired all outstanding shares of Express Lifts Limited through Fujitec India in August this year
- Express Lifts is a company that manufactures, sells, installs, maintains, and repairs elevators and escalators. It has a factory in the state of Gujarat in western India, and boasts the largest market share in the state
- In the Indian market, which is expected to grow significantly, we aim to strengthen our business base through increased production capacity and expanded sales channels



Express Lifts headquarters



# Business Expansion Highlights

## Fujitec Singapore Celebrates its 50th Anniversary

- Fujitec Singapore (William Wong, president) celebrated its 50th anniversary and held a commemorative ceremony in September of this year
- Fujitec Singapore has delivered a total of around 20,000 units to the Housing & Development Board and supplied high-speed elevators to One Raffles Place (completed in 1986) in Singapore, thereby contributing to the nation's modernization and establishing a business foundation in South Asia
- The company will continue to lead our business as a central base in the South Asia region



The ceremony was attended by 750 guests, including Singaporean government ministers (photo above)

One Raffles Place (photo right)

## Completion of Fujitec India Plant Expansion and New Elevator Research Tower



- Plant expansion and elevator research tower were completed at the Chennai Plant
- This marks the completion of production bases for India, where demand is expanding, and for the South Asia region

## Opening of Osaka Metropolitan Office (Japan)

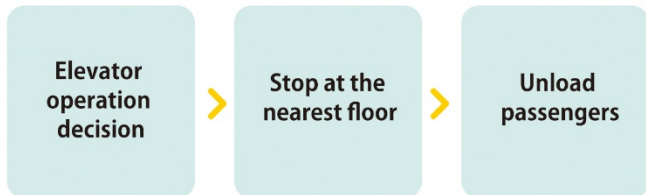
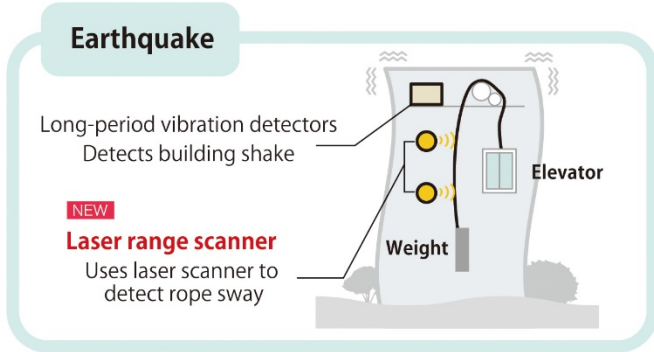
- With the expansion of business in the Osaka area, we opened the new Osaka Metropolitan Office



We delivered six 80-passenger shuttle elevators to Osaka Umeda Twin Towers South, where the new office is located

## Development of Anti-Earthquake Functions for High-Rise Elevators

- Developed a new long-period seismic control operator using a laser range scanner\* as an earthquake-response for elevators in high-rise buildings and high-rise condominiums
- Precise measurement of shaking by laser range scanners shortens the downtime of elevators in the event of an earthquake, supporting rapid restoration of service



\*Laser scanner. Measures the distance to an object with a laser beam.

## Information Disclosures in Compliance with the TCFD

- Disclosure of climate-related financial information based on the TCFD framework
- Aiming to offer beautiful urban functions that are environmentally and socially friendly



In October 2022, Fujitec announced its endorsement of the TCFD recommendations

## Overseas Mainstay Products Registered Under Environmental Product Declaration

- We registered ZEXIA, REXIA and ELSIA, our main global business products, under Environmental Product Declaration (EPD)\*

\*Environmental Product Declaration



## **Reference Materials**

# Consolidated Balance Sheet as of September 30, 2022 **FUJITEC**

	March 31, 2022	September 30, 2022	Change	Comments (Million yen)
<b>Current assets</b>	<b>163,273</b>	<b>184,924</b>	<b>21,650</b>	
<b>Cash and deposits</b>	<b>76,956</b>	<b>83,342</b>	<b>6,385</b>	Increases in East Asia and South Asia
<b>Notes and accounts receivable-trade, and contract assets</b>	<b>66,123</b>	<b>73,742</b>	<b>7,619</b>	Increases in East Asia and the Americas and Europe
<b>Inventory</b>	<b>15,099</b>	<b>22,055</b>	<b>6,956</b>	Increases in East Asia and the Americas and Europe
<b>Other</b>	<b>8,213</b>	<b>9,245</b>	<b>1,032</b>	
<b>Allowance for doubtful accounts</b>	<b>(3,119)</b>	<b>(3,462)</b>	<b>(342)</b>	
<b>Fixed assets</b>	<b>57,335</b>	<b>59,370</b>	<b>2,034</b>	
<b>Property, plant and equipment</b>	<b>35,283</b>	<b>36,942</b>	<b>1,658</b>	Capital Investment +1,735      Depreciation (1,573) Foreign exchange, etc. +1,496
<b>Intangible assets</b>	<b>4,837</b>	<b>5,169</b>	<b>332</b>	
<b>Investments and other assets</b>	<b>17,215</b>	<b>17,259</b>	<b>43</b>	
<b>Total assets</b>	<b>220,609</b>	<b>244,295</b>	<b>23,685</b>	
<b>Current liabilities</b>	<b>74,691</b>	<b>87,563</b>	<b>12,871</b>	Advances from customers +6,750 Notes and accounts payable +4,700 Short-term debt +2,118
<b>Non-current liabilities</b>	<b>5,435</b>	<b>5,178</b>	<b>(256)</b>	
<b>Net assets</b>	<b>140,482</b>	<b>151,553</b>	<b>11,071</b>	Foreign currency translation adjustment +11,382 Non-controlling interests +2,184 Retained earnings +2,414 Purchases of treasury stock (5,061)
<b>Shareholders' equity ratio</b>	<b>56.9%</b>	<b>55.0%</b>	<b>(1.9%)</b>	
<b>B P S</b>	<b>1,549.83 yen</b>	<b>1,696.99 yen</b>	<b>147.16 yen</b>	



(Million yen)

	FY2021 2Q	FY2022 2Q	Change
Cash and cash equivalents at beginning of the period	35,840	<b>39,042</b>	3,202
Cash Flows From Operating Activities	6,478	<b>4,037</b>	(2,440)
Cash Flows From Investing Activities	(289)	<b>2,200</b>	2,490
Free Cash Flows	6,188	<b>6,238</b>	50
Cash Flows From Financing Activities	(3,078)	<b>(7,532)</b>	(4,453)
Cash and cash equivalents at end of the period	41,360	<b>43,671</b>	2,310

# Major Orders and Completed Projects

## New installations

## Modernization projects

Ordered



**SMART WORLD ORCHARD**  
(Gurgaon, India)  
441 elevators



**Gereja Kemah Tabernakel**  
(Jakarta, Indonesia)  
10 elevators and 24 escalators



**Hay's Galleria**  
(London, U.K.)  
9 elevators



**Walton Estate**  
(Hong Kong)  
12 elevators

Completed



**Fuji Speedway Hotel**  
(Shizuoka, Japan)  
10 elevators and 2 escalators



**Eagle + West**  
(New York, USA)  
16 elevators



**Zhi Hui Cheng**  
(Hainan Province, China)  
48 elevators



**Nordlink**  
(Rosario, Argentina)  
9 elevators

Company:	FUJITEC CO., LTD.
Established:	February 1948 (Listed on TSE First Section in February 1974, moved to Prime Market in April 2022)
Head Office:	Big Wing at 591-1, Miyata-cho, in Hikone, Shiga Prefecture, Japan
Business lines:	R&D, manufacturing, marketing, installation, and maintenance of elevators and escalators
Paid-in Capital	¥12,533 million (82,400,000 shares issued and outstanding)
Directors	President and CEO Takao Okada Nine directors (including six independent directors) Four members of Audit & Supervisory Board (including three outside members)
Number of employees	Consolidated: 11,042 (non-consolidated: 3,235)
Group companies	37, including 22 consolidated subsidiaries, in Americas, East Asia, South Asia, Europe, Middle East

This document includes forward-looking statements based on current company plans, estimates, expectations, and projections with respect to our business and industry trends. These forward-looking statements involve a variety of risks and uncertainties.

Risks, uncertainties, and other factors that are already known or not yet known may lead to results different than those discussed in forward-looking statements herein. We make no promises as to the accuracy of forward-looking statements or projections. Results may differ significantly from forward-looking statements.

Forward-looking statements in this document are statements of the company based on information available as of November 8, 2022. These forward-looking statements do not include updates or changes reflecting future events or circumstances.

November 8, 2022

# FUJITEC CO., LTD.

Financial Results Presentation for the Year Ended  
September 30, 2022 (FY2022)

