

# Financial Results Presentation for the Second Quarter Ended September 30, 2023 (FY2023)

November 8, 2023

FUJITEC CO., LTD.

(TSE Prime Section: 6406)

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## Second Quarter Ended September 30, 2023 (FY2023)

- Both sales and income increased year on year. Net sales increased 14.8% to ¥107,024 million and operating income increased 74.5% to ¥8,393 million, both reaching record highs for the fiscal first half.
- The second quarter of FY2023 saw solid increases in both orders and sales, and profit significantly improved. Sales increased in all segments. The increase in net sales and improved profitability contributed to major growth in income.
- Orders increased 20.5% to ¥121,415 million. In Japan, orders for new installations, modernization projects, and repair work significantly increased, and there was robust demand in maintenance services. Overseas, new installations declined in East Asia due to the real estate slump in China, but South Asia and the Americas & Europe saw strong demand for new installations and modernization projects.

## Launch (Establishment) of Steering Committee

- We will launch and begin activities of a steering committee. The committee will serve as a body to consider and formulate the direction and important strategies that the Company should aim for in the medium to long term.

## Highlights

- Construction of elevator component analysis and evaluation center started on the grounds of Big Wing, Fujitec's head office, with the aim of further raising product quality.
- President Harada announced Fujitec's new management policy based on the concept of continuity and change at the press conference held upon assuming his position.
- Modernization of 19 elevators completed for OUB Centre, Singapore's leading high-rise office building.



**Consolidated Financial Results for the Q2  
Ended September 30, 2023 (FY2023)**

# Earnings Highlights for FY2023 Q2

- Sales and income increased year on year, with both net sales and operating income reaching record highs for the fiscal first half.
- Operating income rose significantly despite persistently high materials costs, thanks to robust sales and improved profitability.

(In million yen)

	FY2022 Q2	FY2023 Q2	YoY change (%)
<b>Net sales</b>	93,221	<b>107,024</b>	14.8
<b>Japan</b>	33,392	<b>37,860</b>	13.4
<b>Overseas</b>	59,829	<b>69,164</b>	15.6
<b>Operating income</b>	4,810	<b>8,393</b>	74.5
<b>Ordinary income</b>	6,503	<b>10,714</b>	64.7
<b>Profit attributable to owners of the parent</b>	4,596	<b>7,722</b>	68.0
<b>Net income per share</b>	57.61 yen	<b>99.01 yen</b>	—

JPY/USD ex. rate

120.91 yen

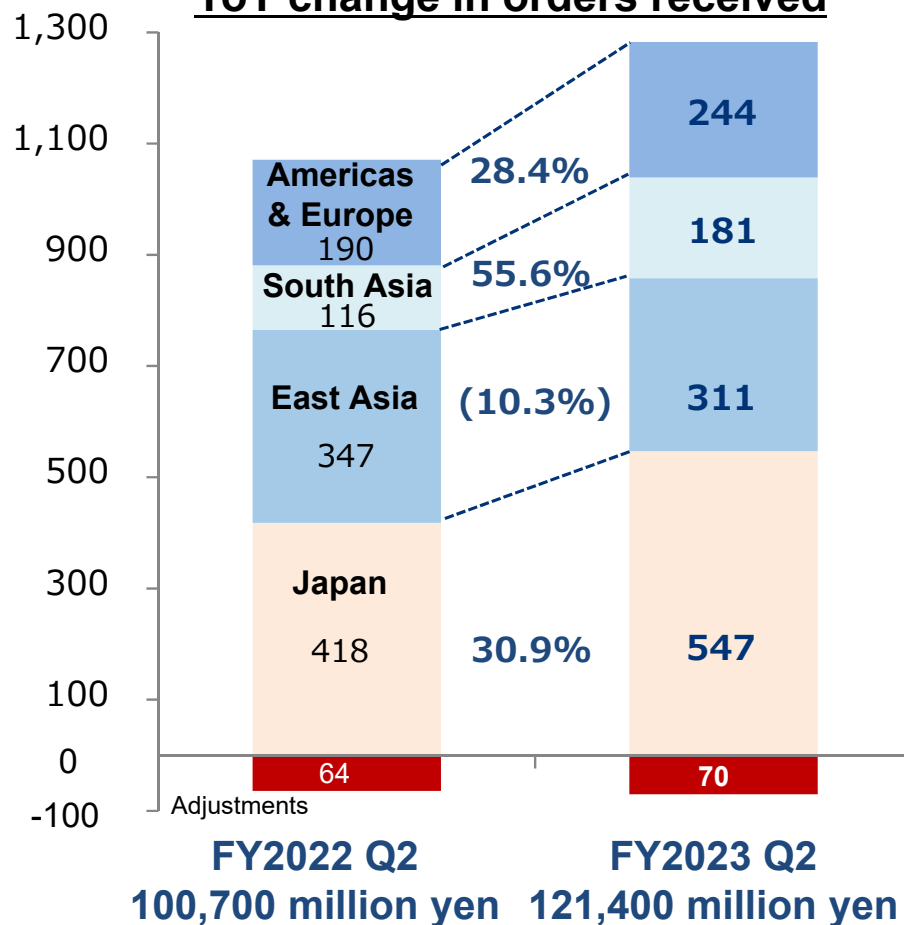
134.49 yen

# Orders Received in FY2023 Q2

- Orders received increased 20.5% year on year.
- Orders increased significantly in Japan. Overseas, orders were robust for new installations and modernization projects, apart from new installations in East Asia.

(In 100 million yen)

**YoY change in orders received**



Japan

## ● New Installation Business

- Order value increased significantly owing to price pass-through to reflect higher materials and logistics costs, and as a reaction to the suppressed order intake in FY2022 Q2 necessitated by the disruption in import of parts and components resulting from the Shanghai lockdowns.

## ● Aftermarket Business

- Orders for modernization projects grew year on year.
- Maintenance services, for which the order closing rate remained high, continued to see solid order inflow, as did repair work.

Overseas

## ● New Installation Business

- Orders decreased in East Asia, affected by China's real estate slump.
- In South Asia, orders increased in Singapore and India.
- In the Americas & Europe, orders increased in Argentina.

## ● Aftermarket Business

- Orders for modernization projects increased in Singapore and the U.S.

\* Figures in the graph represent the value of orders received.

# Earnings by Segment for FY2023 Q2

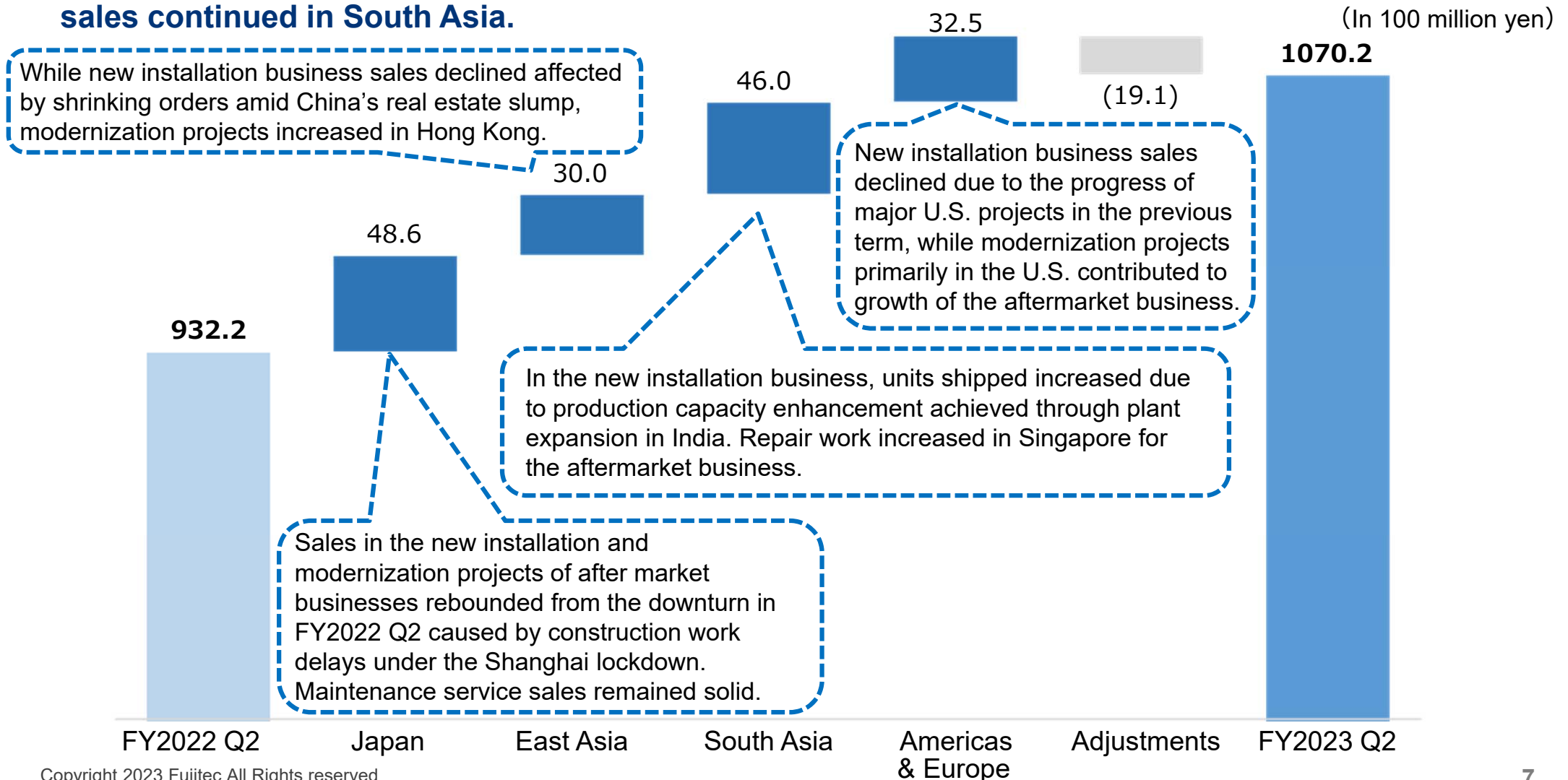
- Net sales increased in all segments. Sales remained strong in Japan, South Asia, and the Americas & Europe, while slowing in East Asia, affected by China's real estate slump.
- Operating income increased in Japan, East Asia, and South Asia thanks to robust sales and improved profitability, but decreased in the Americas & Europe due to decreased profitability of new installations in Canada.

(In million yen)

	Net sales			Operating income (loss)		
	FY2022 Q2	FY2023 Q2	Change (%)	FY2022 Q2	FY2023 Q2	Change (%)
<b>Japan</b>	34,579	<b>39,442</b>	14.1	(136)	<b>2,171</b>	2,307
<b>East Asia</b>	35,990	<b>38,994</b>	8.3	2,019	<b>2,723</b>	703
<b>South Asia</b>	10,595	<b>15,199</b>	43.4	2,353	<b>3,097</b>	744
<b>Americas &amp; Europe</b>	17,309	<b>20,560</b>	18.8	635	<b>587</b>	(47)
<b>Subtotal</b>	98,475	<b>114,197</b>	16.0	4,872	<b>8,580</b>	3,708
<b>Adjustments</b>	(5,253)	<b>(7,172)</b>	—	(61)	<b>(187)</b>	(125)
<b>Total</b>	93,221	<b>107,024</b>	14.8	4,810	<b>8,393</b>	3,583

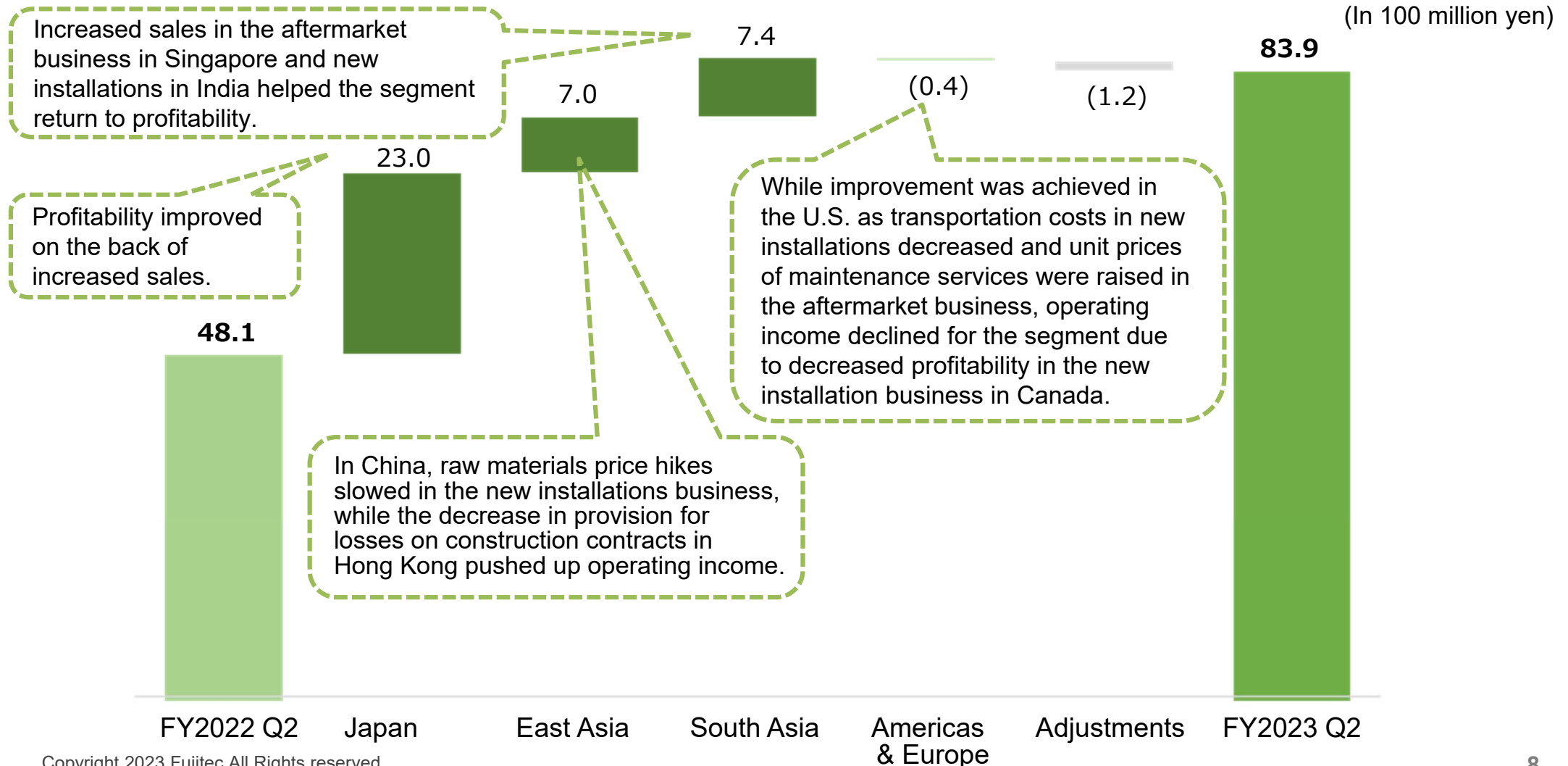
# Breakdown of Net Sales for FY2023 Q2

- In Japan, both the new installation and aftermarket businesses saw significant net sales growth. In East Asia and the Americas & Europe, the aftermarket business remained strong, while brisk sales continued in South Asia.



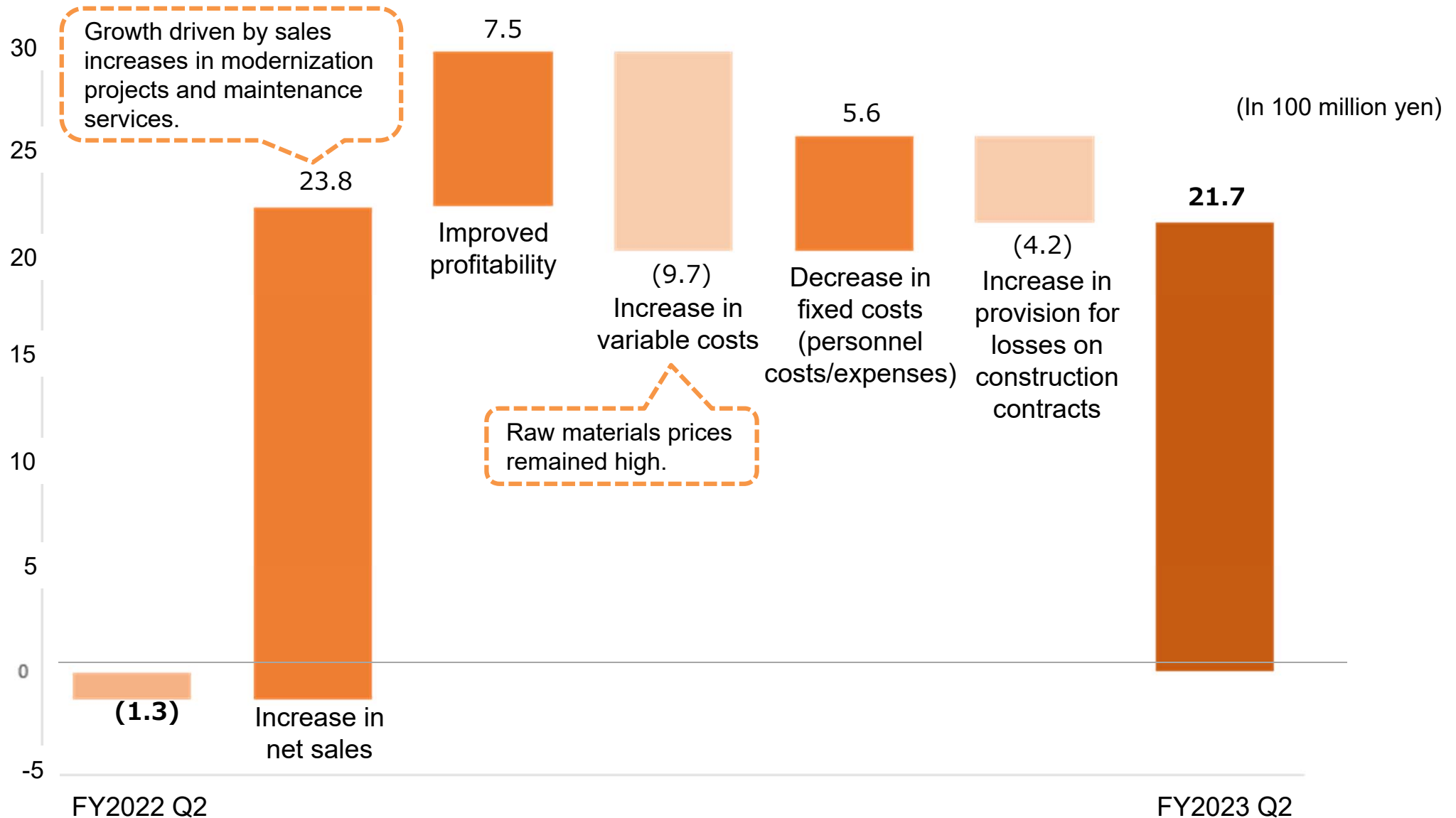
# Breakdown of Operating Income for FY2023 Q2

- Operating income increased in Japan, East Asia, and South Asia thanks to increased net sales and improved profitability, but decreased in the Americas & Europe due to a deterioration in profitability in Canada.





# Operating Income Factor Analysis for FY2023 Q2 (Japan)



# Solidifying the Foundation of Business Management **FUJITEC**

## Construction of specialized quality analysis and evaluation center

- Aiming to further raise product quality, we started construction of an elevator component analysis and evaluation center tentatively named Quality Lab at Big Wing, Fujitec's head office and core R&D and production facility in Hikone, Shiga Prefecture. The center is scheduled for completion in February 2025.
- The center will feature testing equipment to evaluate the performance, reliability, and safety of various elevator components, as well as testing elevators for operational and other tests. It will verify installation methods to improve installation efficiency and test the efficacy of quality assurance for existing elevators and escalators.



- By performing tests and verification focusing on quality, rather than as part of functional evaluations in the product development process as we have done to date, we aim to strengthen our quality control and further improve product performance and reliability.

## Inaugural Speech by President and CEO

- On September 19, President and CEO Masayoshi Harada announced Fujitec's new management policy based on the concept of continuity and change at the press conference held upon assuming his position.
- In presenting his point, he identified the pursuit of safety and reliability, focus on quality, and human resources development as areas where continuity was key, while naming selection and focus, strengthening of group management, and enhancement of governance and communication as initiatives involving change.



President and CEO  
Masayoshi Harada



President's  
speech upon  
assuming  
position

## Occupational Health and Safety Policy and Declaration on Health

- To create a vibrant workplace, we established Health and Safety Management Guidelines and a Health Declaration applicable to all employees including those overseas.

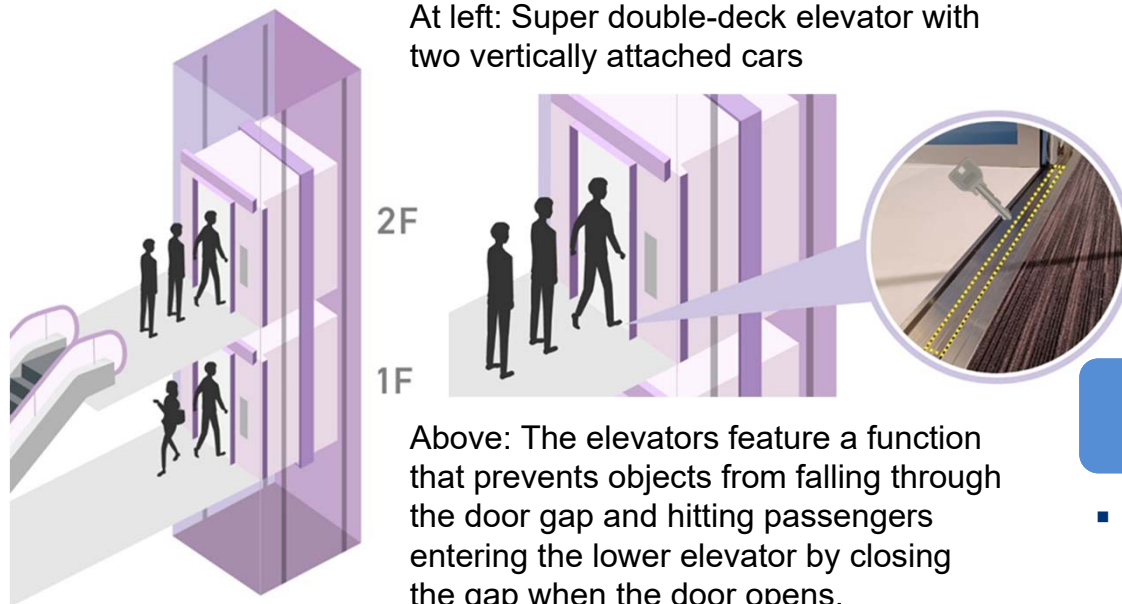
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## Launch (Establishment) of Steering Committee

- We will launch and begin activities of a steering committee which will consist of two outside directors and the general managers of major executive departments. The committee will serve as a body to consider and formulate the direction and important strategies that the Company should aim for in the medium to long term..

## Delivery of elevators and escalators to Azabudai Hills

- Fujitec delivered 39 elevators and 27 escalators (total: 66 units) for the Mori JP Tower in the District A town block of Azabudai Hills in Minato-ku, Tokyo. We will also supply elevators and escalators for the District B-2 town block, bringing the total to 110 units, the most delivered by Fujitec for a project in Japan.
- The project includes 16 of our super double-deck elevators, which have two cars attached vertically and can carry many passengers at once.



At left: Super double-deck elevator with two vertically attached cars

Above: The elevators feature a function that prevents objects from falling through the door gap and hitting passengers entering the lower elevator by closing the gap when the door opens.

## Modernization of elevators in Singapore's leading high-rise office building

- Fujitec modernized 19 elevators at OUB Centre, a high-rise office building. Slated for modernization after 30-plus years of operation since building completion and elevator installation, work began in October 2019. The elevators are now equipped with the latest functions and offer increased speed, shorter riding time supported by a new system, and greater comfort with less sway.



## Orders received by Fujitec (HK) reach 10,000 units

- On July 21, cumulative orders for new elevators and escalators received by Fujitec (HK), which celebrates its 60th anniversary next year, reached 10,000 units.

## **Reference Materials**

# Consolidated Balance Sheets as of September 30, 2023 **FUJITEC**

(In million yen)

	March 31, 2023	September 30, 2023	Change	Comments
<b>Current assets</b>	<b>159,132</b>	<b>180,692</b>	<b>21,560</b>	
Cash and deposits	58,297	76,334	18,037	Increase in Japan, East Asia, and South Asia (including transfer from long-term deposits : 8,061)
Notes and accounts receivable-trade, and contract assets	75,545	77,440	1,894	Increase in the Americas & Europe
Inventory	20,654	23,019	2,365	Increase in South Asia
Other	7,771	7,384	(386)	
Allowance for doubtful accounts	(3,135)	(3,487)	(351)	
<b>Fixed Assets</b>	<b>70,966</b>	<b>65,332</b>	<b>(5,633)</b>	
Property, plant and equipment	38,506	38,934	427	Capital investment: 1,356, Depreciation: (1,864), Foreign exchange, etc.: 935
Intangible assets	5,368	6,166	797	
Investments and other assets	27,090	20,232	(6,858)	Decrease due to transfer of funds from long-term deposits to cash and deposits: (8,061), Increase in the value of securities resulting from higher stock prices: +1,663
<b>Total assets</b>	<b>230,098</b>	<b>246,025</b>	<b>15,926</b>	
<b>Current liabilities</b>	<b>79,888</b>	<b>82,593</b>	<b>2,704</b>	Advances from customers: 1,825, Notes and accounts payable: 1,429
<b>Non-current liabilities</b>	<b>6,092</b>	<b>6,486</b>	<b>394</b>	
<b>Net assets</b>	<b>144,118</b>	<b>156,945</b>	<b>12,827</b>	Foreign currency translation adjustments: 6,019, Retained earnings: 4,601, Valuation difference on available-for-sale securities: 1,220
<b>Shareholders' equity ratio</b>	<b>55.6%</b>	<b>56.9%</b>	<b>1.3 pt</b>	
<b>BPS</b>	<b>1,640.29 yen</b>	<b>1,792.92 yen</b>	<b>152.63 yen</b>	

# Cash Flows

(In million yen)

	FY2022 2Q	FY2023 2Q	Change
Cash and cash equivalents at beginning of the period	39,042	<b>31,463</b>	(7,578)
Cash Flows From Operating Activities	4,037	<b>14,157</b>	10,119
Cash Flows From Investing Activities	2,200	<b>△3,198</b>	(5,399)
Free Cash Flows	6,238	<b>10,959</b>	4,720
Cash Flows From Financing Activities	△7,532	<b>△8,344</b>	(811)
Cash and cash equivalents at end of the period	43,671	<b>35,680</b>	(7,990)



# Major Orders and Completed Projects

## New installations

Completed

**Azabudai Hills (A District)**  
( Tokyo, Japan )  
39 elevators and  
27 escalators

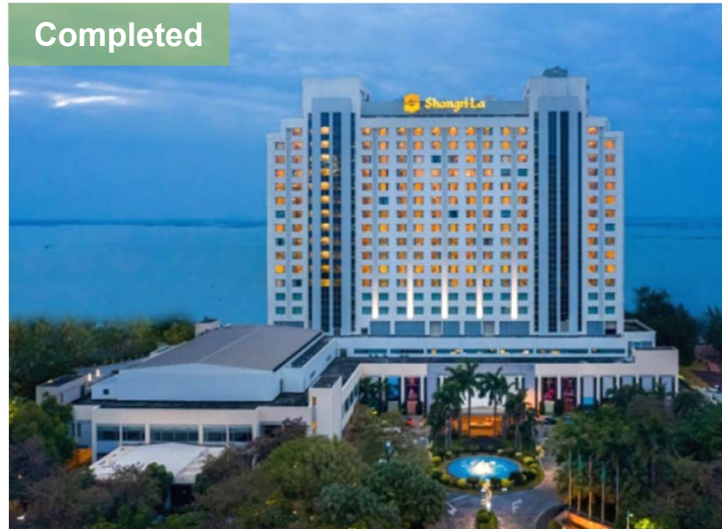


Ordered



## Modernization projects

Completed



**Shangri-La Beihai**  
( Beihai , China )  
8 elevators

**Quartier Plaza**  
( Argentina )  
18 elevators

Completed



**OUB Centre**  
( Singapore )  
19 elevators

# Company Overview

Company:	FUJITEC CO., LTD.
Established:	February 1948 (75 years in business) (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 (78,900,000 shares issued and outstanding)
Directors	President and CEO Masayoshi Harada Nine directors (including six independent directors) Four members of Audit & Supervisory Board (including two outside members)
Number of employees	Consolidated: 11,539 (non-consolidated: 3,247)
Group companies	40, including 24 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, 2023. These forward-looking statements do not include updates or changes reflecting future events or circumstances.

November 8, 2023

# FUJITEC CO., LTD.

## Financial Results Presentation for the Year Ended September 30, 2023 (FY2023)

