

Fiscal Year ended March 31, 2020(FY2019) Financial Result Presentation

FUJITEC CO., LTD.
President and CEO
Takakazu Uchiyama

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2. FY2020 Consolidated Performance Forecast Summary
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Big Wing (Shiga, Japan)

- FY2019, net sales and net income reached new record highs
In China a significant increase in operating income has resulted in 3 billion yen
- FY2020, incorporates risks concerning the impact of COVID-19
- Key Initiatives for FY2020
 - Sales Strategy
 - Expand new installations business after the economy reopens in China
 - Expand sales orders and improve profit margin in India
 - Strengthen the after-sales service market in mature markets
 - Product and Technology Strategy
 - Engage in process reform with the new XIOR in Japan
 - Operation Strategy
 - Expand production capacity in India and Taiwan
 - Improve productivity in Japan
 - Corporate Strategy
 - Continue to invest to grow our businesses and our shareholders' return

1. FY2019 Consolidated Performance Summary



Big Step (Hyogo, Japan)

FY2019 Highlights

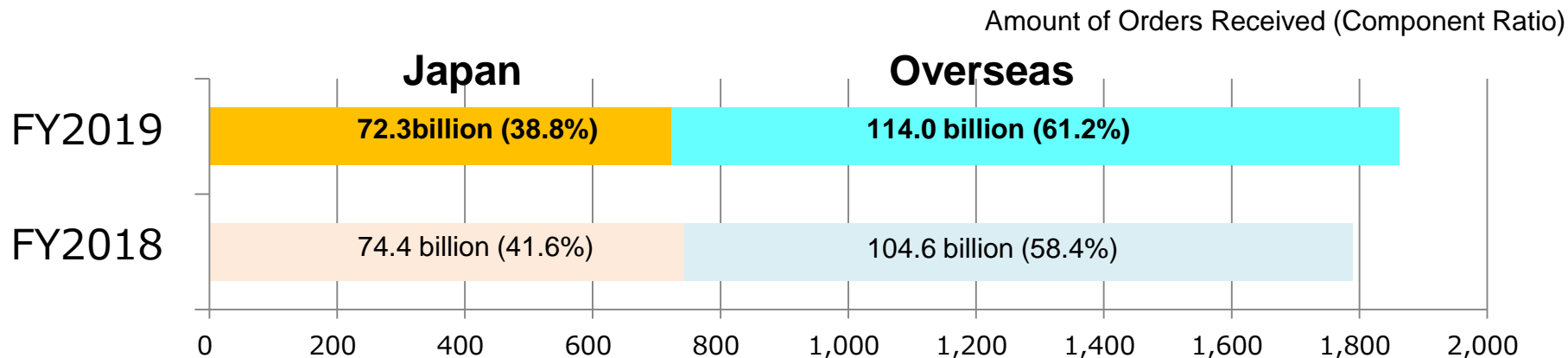
Increased sales and profits: net sales and net income reached record highs

(Millions of yen)

	FY2019	Revised Plan	FY2018	Change
Orders Received	186,320	-	179,007	+4.1%
Net Sales	181,232	180,000	170,759	+6.1%
Order Backlog	207,817	-	208,183	-0.2%
Operating Income	13,375	13,500	10,313	+29.7%
Operating Income Margin	7.4%	7.5%	6.0%	+1.4P
Ordinary Income	14,682	14,500	11,922	+23.2%
Profit Attributable to Owners of the Parent	9,916	10,000	9,220	+7.6%
EPS	¥122.46	¥123.54	¥114.14	+ ¥8.32

Orders Received

Increased in East Asia, North America, and Europe



【Japan】

72.325 billion (-2.8%)

- Active demand from hotels that cater to foreign visitors
- Decline following a surge in orders from high-rise buildings

【Overseas】

113.994 billion (+9.0%)

- Increases in East Asia, North America & Europe
- Significant increase in China
- Taiwan and Hong Kong are performing well
- Excluding the impact of exchange rates, increase of almost 13%

Net sales increased in East Asia, North America and Europe

【Japan】

72.519 billion (+5.0%)

- New installations, maintenance, repairs and modernization are performing well

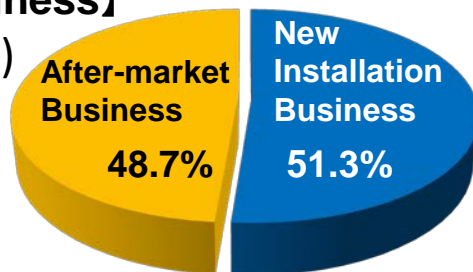
【Overseas】

108.712 billion (6.9%)

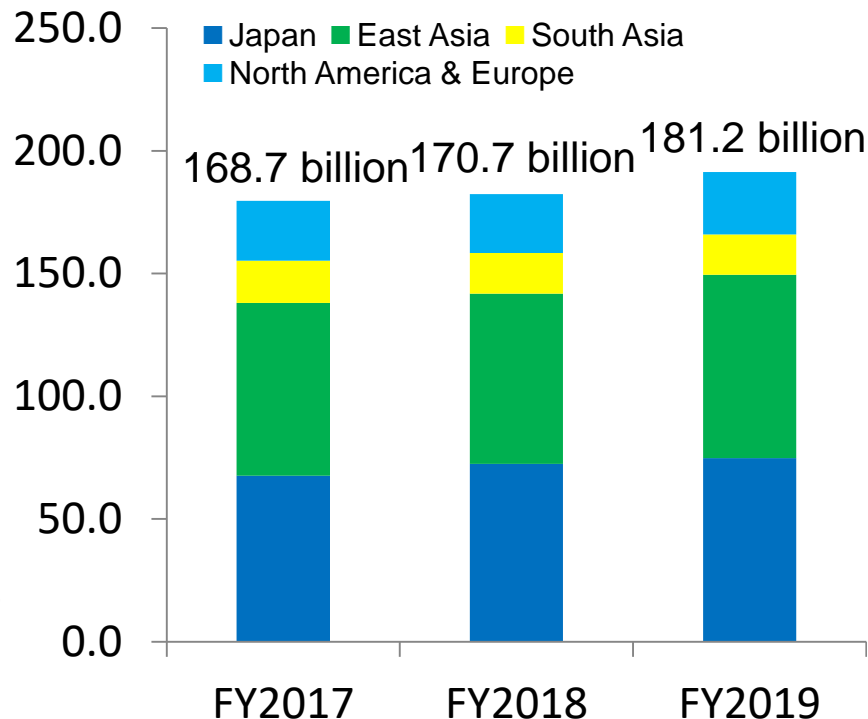
- Increases in East Asia, North America and Europe
- Excluding the impact of exchange rates, increase of 10.9% in real terms

【Net Sales by Business】

(FY2019)



Billions of yen



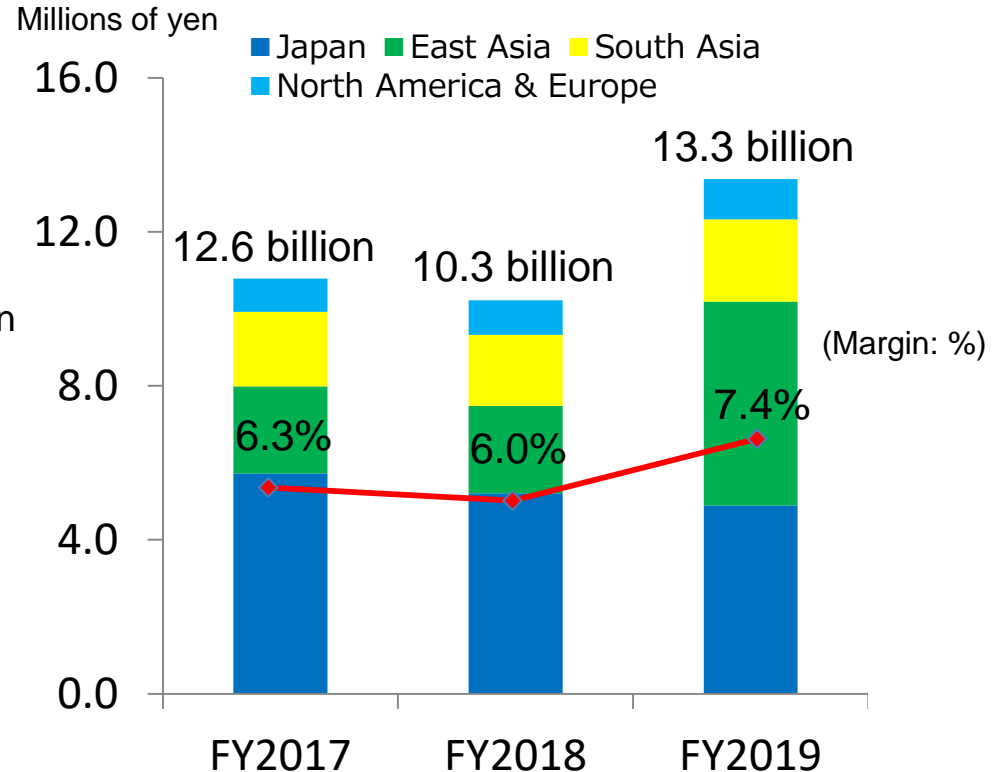
Operating Income

Operating income increased significantly in East Asia.
The operating income margin has risen

【Operating Income】

133,750 million (+29.7%)

- Operating income decreased in Japan
- Operating income increased in East Asia, North America and Europe
- Operating income increased by 3 billion yen compared to the previous period
- The operating income margin rose to 7.4%



Summary by Segment

Net sales and operating income increased in East Asia, North America and Europe. Operating income increased in South Asia

(Millions of Yen)

	Net Sales			Operating Income		
	FY2019	FY2018	Change in %	FY2019	FY2018	Change
Japan	74,751	72,485	+3.1	4,891	5,206	-314
East Asia	74,748	69,308	+7.8	5,297	2,269	+3,027
South Asia	16,379	16,572	-1.2	2,135	1,851	+283
North America & Europe	25,443	24,045	+5.8	1,045	893	+152
Total	191,323	182,411	+4.9	13,370	10,220	+3,149
Reconciliations	-10,091	-11,652	-	5	92	-87
Consolidated	181,232	170,759	+6.1	13,375	10,313	+3,061

Status of Orders Received & Performance Summary



	Status of Orders Received	Performance Summary
Japan	<ul style="list-style-type: none"> ➤ Orders for hotels and condominiums increased ➤ A significant decline following a surge in large projects for offices in the previous period ➤ In the after-market, maintenance increased 	<ul style="list-style-type: none"> ➤ Net sales trended favorably for new installations and the after-market ➤ Operating income decreased due to an increase in variable costs from work congestion
East Asia	<ul style="list-style-type: none"> ➤ For incoming orders, increase approx. 20% in China following a review of sales prices and active business activity ➤ Increases for new installations and the after-market in Hong Kong and Taiwan 	<ul style="list-style-type: none"> ➤ Net sales increased in China and Taiwan, for East Asia increased by 7.8%. China is driving new installations and net sales have increased by 20%. In Taiwan, net sales for new installations and the after-market have increased ➤ Operating income increased significantly in China, decreased in Hong Kong, increased in Taiwan. Export improved in Korea. 2.3 times increase for East Asia
South Asia	<ul style="list-style-type: none"> ➤ Incoming orders increased in Singapore 	<ul style="list-style-type: none"> ➤ Net sales remained at the same level as the previous period, primarily in Singapore, increased in India ➤ Improved profit margin from new installations in Singapore, profits increased in India
North America & Europe	<ul style="list-style-type: none"> ➤ New installations and modernization increased in the USA ➤ In Canada, significant decline following a surge in large projects in the previous period ➤ In the UK, orders received increased 	<ul style="list-style-type: none"> ➤ Expansion in new installations and modernization in the USA, new installations increased in Canada, net sales increased in the UK, increased by 7.5% for North America & Europe ➤ Operating income increased in the USA & Canada. The UK broke even. Profits increased by 17% for North America & Europe

2. FY2020 Consolidated Performance Forecast Summary



Big Fit (Osaka, Japan)

- The stagnation of economic activity caused by COVID-19 has now created a tough business environment
- Performance forecast that incorporates risks falling within a range of assumptions that can be made at this point in time.

Current Conditions

- In China, even after the Spring Festival, factories closed this February
- In India, factories have been shut down for the past 8 weeks
- Maintenance is continuing as infrastructure business that is necessary for society

Impact on Business

- Expanded new installations and modernization, reduce planned properties
- Extended repair construction in accordance with cost reduction

FY2020 Consolidated Forecasts

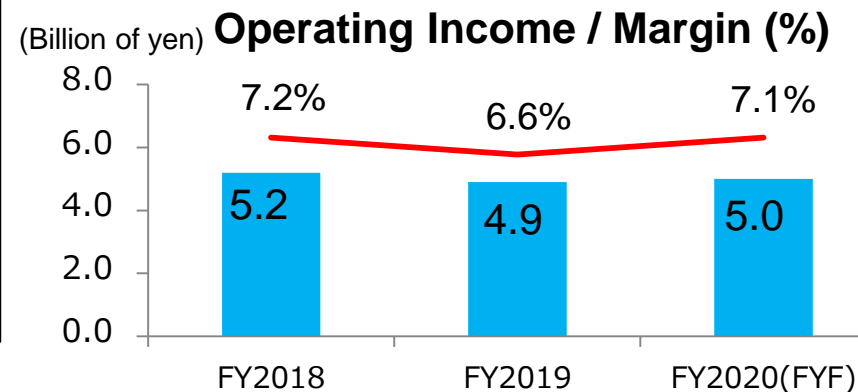
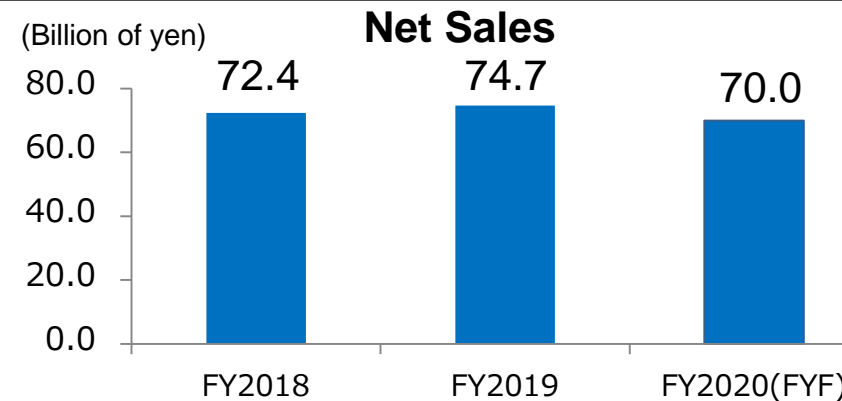
Net sales and operating income will decrease
 Operating income will increase in Japan

(Millions of yen)

	Net Sales			Operating Income		
	FY2020	FY2019	Change in %	FY2020	FY2019	Change
Japan	70,000	74,751	-6.4	5,000	4,891	+108
East Asia	64,000	74,748	-14.4	3,600	5,297	-1,697
South Asia	16,000	16,379	-2.3	1,700	2,135	-435
North America & Europe	25,000	25,443	-1.7	600	1,045	-445
Total	175,000	191,323	-8.5	10,900	13,370	-2,470
Reconciliations	-10,000	-10,091	-	-200	5	-205
Consolidated	165,000	181,232	-9.0	10,700	13,375	-2,675

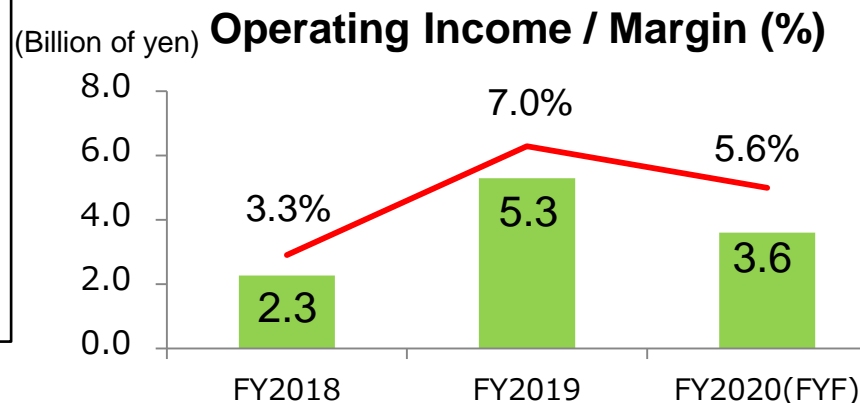
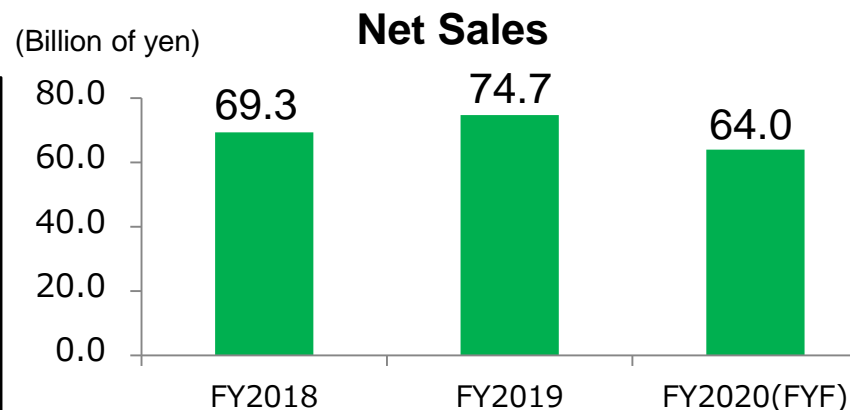
The profit margin for new installations is expected to improve, operating income will increase

- Began selling the new XIOR for New Normal, this April
- The new XIOR has a wide range of applications, expected to reduce design and production costs due to its compatibility with conventional order-made models
- Construction will continue for new installation projects that have been ordered, new construction will generally go according to plan
- The after-market is expected to be extended partly due to modernization and repairs



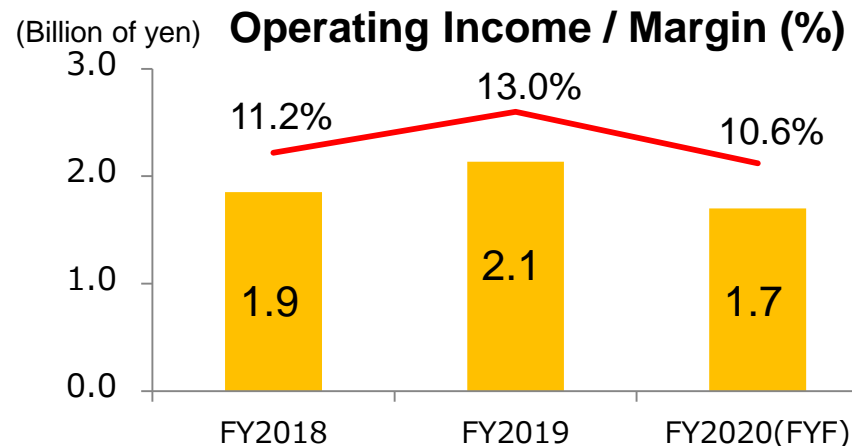
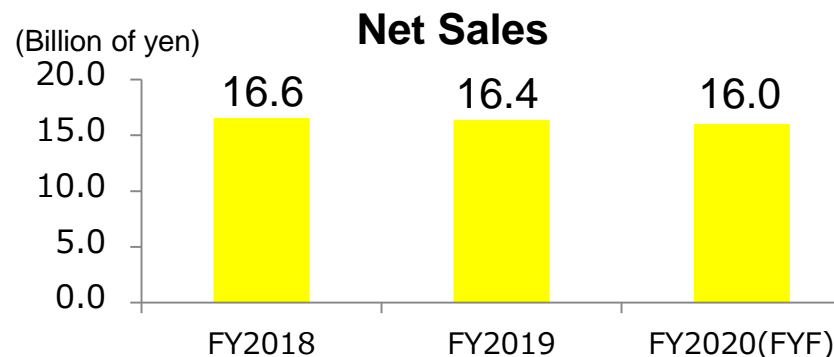
In China, net sales are expected to decrease significantly

- In China, the economy is expected to worsen for an extended period of time, net sales will decrease by approximately 10 billion yen and profits will decrease
- For Hong Kong, operating income will be similar to the previous period due to an expected increase in sales from an abundance of projects that have already been ordered
- The impact of COVID-19 on Taiwan and Korea will be minor. Profits will decrease in Taiwan. The profit margin for exports will improve in Korea



In Singapore, the profit margin for new installations will decrease

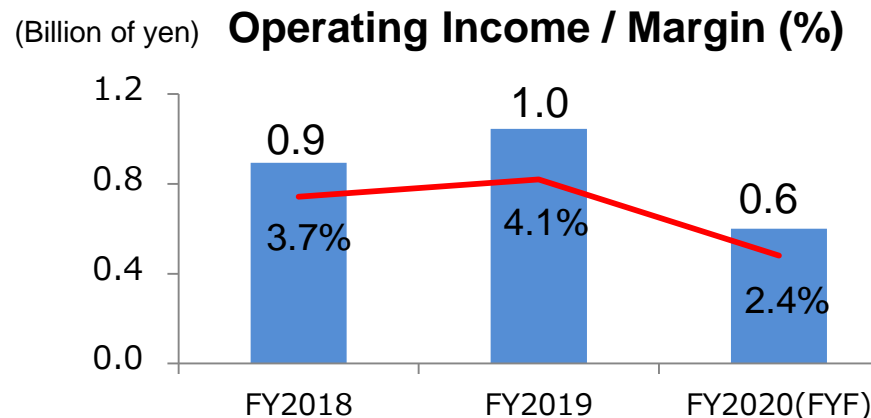
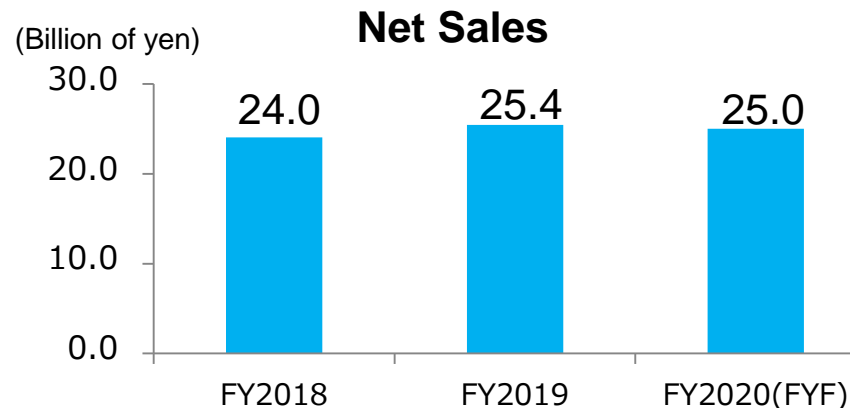
- In Singapore, net sales will maintain the same level as the previous period. The profit margin for new installations is expected to drop, profits will decrease
- In Malaysia and Indonesia, operating income will maintain the same level as the previous period due to an improved profit margin
- In India, it will take time to recover. The extension of construction for new installations is expected, resulting in decreased sales and profits



FY2020 Forecast; North America & Europe

In North America, sales for new installations and modernization will decrease

- In the USA, Net sales for new installations are expected to decrease, be limited impact on maintenance. Operating income will decrease due to a reduction in modernization
- In Canada, new installations and modernization are predicted to decrease
- Amalgamated Lifts will be consolidated, resulting in increased sales and profit in the UK



Capital Investment, Depreciation, R&D Expenses and Dividends



(Millions of yen)

	FY2020	FY2019	FY2018	Remarks
Capital Investment	5,500	3,523	2,912	
Domestic	3,000	2,392	2,160	Investment for production automation
Overseas	2,500	1,131	752	Expand production capacity in India & Taiwan
Depreciation	3,500	3,183	3,055	
R&D Expenses	2,500	2,208	2,425	Developed new “XIOR”
Dividends	50	50	45	Payout ratio of 54%
Interim	20	20	20	
Year-end	30	30	25	Net income reached record high, increasing dividends by 5 yen per share

3. Key Initiatives for FY2020



Creative Studio Tokyo (Tokyo, Japan)

Strengthen new installations in China and India

Segment	Priority Measures for FY2020
East Asia	In China, expand business after economic activity resumes
South Asia	In India, expand orders received and improve the profit margin
North America & Europe	Continue to concentrate on the after-market Synergy effect with Amalgamated Lifts in the UK



Orders Received for Modernization of Raffles Place in Singapore

Development of new XIOR, and enhances hygienic functions

Development concept: “Beyond the standard”

Three features:

- Elevator-exclusive air conditioner (First in the industry)
- Max. rated speed of 120 m/m (Fastest in the industry)
- Large 8.4-inch LCD monitor (Largest in the industry)

Enhanced hygiene: “New Normal of Elevators”

- Touchless Sensor
- Antibacterial buttons
- Congestion Display (Avoid the “Three Cs”)
- IONFUL (Plasmacluster™ Ion Generating Device)

“NEW NORMAL” OF ELEVATORS

“TOUCHLESS SENSOR”
Touchless hall & car calls

“CONGESTION DISPLAY”
Indicate the density in the cabin

Cleaner and healthier air by Plasmacluster™ Ion Technology

“IONFUL”

1. TOUCHLESS SENSOR

Click in the air and the elevator will take you to the floor you want.
Infrared touchless sensor enables hygienic elevator hall calls and car calls. The sensors can be combined with push buttons.

Check the movie on Fujitec Channel!
 <https://www.youtube.com/watch?v=vz3rLktWLu0>

FUJITEC

Improve development and production efficiency, deploy products for a New Era

Process reform (design/production efficiency improvements)

- Promote digitization of work using BIM (*), etc.
- Coordinate data to construct an integrated production system that is fully automated from the reception of orders to production

* Building Information Modeling

Strengthen technological capabilities (WING SQUARE / research tower)

- Accelerate the establishment of elevator and escalator technologies

Open innovation

- Collaborate with universities, research institutions, and other industries to acquire basic and elemental technologies

Develop “Safe and Secure” products that resolve social challenges

- Expand into touchless technologies and other technologies to support a New Lifestyle
- Enhance disaster safety, improve diversity-conscious convenience, etc.



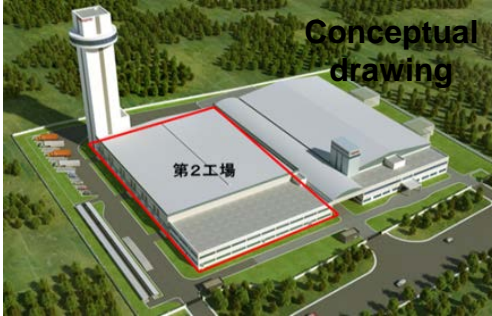
New Standard Model - XIOR



WING SQUARE (Shiga, Japan)

Expand production capacity, improve production efficiency

Expansion of the Factory in India



Construction of a 2,000-unit system to be completed in FY2020

Expansion of the Factory in Taiwan



1,000-unit system under construction

Improvements to Productivity in Big Wing



Introduction of automation equipment to expand production capacity

Logistics Bases



Set up a two-base system in Tokyo and Osaka

Continue domestic and international capital investment and pursue M&A

Internal growth

- Expanded training facility in FY2019
Opened an “Experience Centre” in Singapore, India and Tokyo
- Invest in the development of human resources in FY2020
Improve the skills of field employees
Provide “Safety and Security”, efficient business operation

External growth

- Acquired Amalgamated Lifts in FY2019
- Continue to consider M&A in FY2020



An opening ceremony with state ministers as invited guests (Singapore)



Experience Center Tokyo (Tokyo, Japan)

Strengthen corporate governance

Ensure further improvement in the transparency of management.

FY2018



Outside directors 3 / 7

Ratio of outside directors : 42.8%



FY2019



Outside directors 5 / 9

Ratio of outside directors : 55.6%

Capital policies & shareholder return

Aim for medium-to-long-term improvements to corporate value

- Robust business operation
- Maintain a firm financial base that appropriately allows for investments necessary for growth
- Stable and continuous shareholder returns with a goal of a 40-50% payout ratio



	FY2019	Mid-term Strategic plan
Dividend payout ratio	40%	40-50%
ROE	Achieved 9.5%	8.0% or more

Reference Information

1. Consolidated Balance Sheet

(Millions of Yen)	Mar. 31, 2020	Mar. 31, 2019	Change	Remarks
Current Assets	140,884	131,181	+9,702	
Cash and Cash Equivalent	57,024	52,244	+4,779	Increased in East Asia and South Asia
Trade Notes and Accounts Receivable	61,626	54,680	+6,946	Increased in East Asia, North America & Europe and South Asia
Inventories	19,321	21,292	- 1,970	
Others	5,053	5,003	+50	
Allowance for Doubtful Accounts	- 2,142	- 2,039	- 102	
Fixed Assets	52,697	53,508	- 811	
Property, Plant and Equipment	34,188	33,948	+239	Capital investment: +3,321, Depreciation: -2,881, Foreign exchange, etc.: -201
Intangible Assets	3,640	3,874	- 234	
Investments and Other Assets	14,868	15,684	- 815	
Total Assets	193,581	184,690	+8,891	
Current Liabilities	70,083	66,241	+3,842	Advances from customers: +2,240, Short-term debt: +691, Provision for losses on construction contracts: +511
Non-current Liabilities	4,783	4,525	+257	
Net Assets	118,714	113,923	+4,791	Retained earnings: +6,268, Foreign currency translation: -935, Net unrealized gains on securities: -1,005
Shareholders' Equity Ratio	55.2%	55.7%	- 0.5P	
BPS	¥1,318.59	¥1,271.28	+¥47.31	

2. Recent Major Orders Received & Projects Completed **FUJITEC**

Completed



LOTUS TOWER
(Colombo, Sri Lanka)
Elevators and Escalators:
14 units

Order Received



Fubon Xinyi A25
(Taipei, Taiwan)
Elevators and Escalators:
33 units

Order Received



Menara Jakarta
(Jakarta, Indonesia)
Elevators and Escalators:
59 units

Order Received



425 Lexington Avenue
(New York, USA)
Modernization for existing
elevators: 14 units

Completed



SAKURA MACHI Kumamoto
(Kumamoto, Japan)
Elevators and Escalators: 23 units

3. Corporate Profile

Corporate Name	Fujitec Co., Ltd.
Established	Feb 1948 (Listed Feb 1974 on TSE1)
Head Office	Hikone, Shiga (Big Wing)
Business	R&D, manufacturing, marketing, installation and maintenance of elevators and escalators
Paid-in Capital	12,533 million yen (shares issued: 90,067,000)
Directors	President & CEO, Takakazu Uchiyama 9 directors (including 5 outside directors) 4 audit & supervisory board members (including 3 outside audit & supervisory board members)
Employees	Consolidated 10,292 (non-consolidated 3,040)
Group companies	34 companies (including 18 consolidated subsidiaries) (North and South America, East and South Asia, Europe/Middle East)

This presentation was prepared to provide information on the company's Fiscal Year ended March 31, 2020 results and medium-term business plan. The purpose of these materials is not to solicit investments in the company's stock or other securities. All information in this presentation is based on data currently available as of May 20, 2020. The company makes no guarantees regarding the accuracy or completeness of this information and retains the right to revise this information at any time with no prior notification.

June 5, 2020

FUJITEC

**Fiscal Year ended March 31, 2020
Financial Result Presentation**

