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May 12, 2023

## Consolidated Business Results for the Fiscal Year Ended March 31, 2023 (Japan GAAP)

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 Expected date of general shareholder's meeting: June 21, 2023 Expected starting date of dividend payment: July 10, 2023  
 Expected date of submission of statutory financial report: June 22, 2023  
 Supplementary materials for the business results: Yes Presentation of the business results: No  
(The Company plans to post a video of the financial results presentation on the Company's corporate website)

(Amounts less than one million yen are rounded down)

### 1. Consolidated business performance for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Operating results (% change from the previous corresponding period)

Year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	207,589	11.0	11,619	(15.7)	13,332	(15.2)	8,433	(22.2)
March 31, 2022	187,018	10.3	13,777	3.7	15,713	7.4	10,835	16.7

(Note) Comprehensive income — March 31, 2023: 19,007 million yen [(13.1)%], March 31, 2022: 21,885 million yen [98.9%]

Year ended	Net income per share	Diluted net income per share	Return on equity	Ordinary income / total assets ratio	Operating income / net sales ratio
	Yen	Yen	%	%	%
March 31, 2023	106.67	106.62	6.7	5.9	5.6
March 31, 2022	133.42	133.36	9.1	7.4	7.4

(Note) Investment profit on equity method — March 31, 2023: — million yen, March 31, 2022: — million yen

(2) Financial position

Year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	230,098	144,118	55.6	1,640.29
March 31, 2022	220,609	140,482	56.9	1,549.83

(Reference) Shareholders' equity — March 31, 2023: 127,897 million yen, March 31, 2022: 125,482 million yen

(3) Consolidated Cash Flows

Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(2,346)	1,949	(10,670)	31,463
March 31, 2022	9,846	(3,994)	(6,520)	39,042

### 2. Cash dividends

	Cash dividends per share					Total dividend	Payout ratio (consolidated)	Dividend on equity (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	—	25.00	—	45.00	70.00	5,690	52.5	4.8
March 31, 2023	—	35.00	—	40.00	75.00	5,896	70.3	4.7
Year ending March 31, 2024 (Projection)	—	35.00	—	40.00	75.00		56.2	

(Note) Year-end dividend for the year ended March 31, 2023

Regular dividend: 35.00 yen    Commemorative dividend: 5.00 yen

### 3. Consolidated Earnings Projections for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% change from the previous corresponding period)

Year ending	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2024	223,000	7.4	13,400	15.3	15,100	13.3	10,400	23.3	133.38

#### 4. Other

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries due to changes in the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
- 1) Changes in accounting policies due to revision of accounting standards: Yes
  - 2) Changes other than 1), above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatements: No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock):	Year ended March 31, 2023: 78,900,000 shares	Year ended March 31, 2022: 82,400,000 shares
2) Treasury stock at the end of period:	Year ended March 31, 2023: 927,798 shares	Year ended March 31, 2022: 1,434,800 shares
3) Weighted average number of shares outstanding during the period:	Year ended March 31, 2023: 79,062,218 shares	Year ended March 31, 2022: 81,213,810 shares

(Note) Treasury stock for the year ended March 31, 2023 and year ended March 31, 2022 includes shares of Fujitec Co., Ltd. stock held by the Trust-Type Employee Shareholding Incentive Plan (E-Ship).

Year ended March 31, 2023: 51,400 shares      Year ended March 31, 2022: 197,500 shares

#### (Reference) Summary of Non-consolidated Results

##### 1. Non-consolidated business performance for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Operating results (% change from the previous corresponding period)

Year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	77,507	2.6	2,111	(61.2)	17,819	79.9	15,505	89.6
March 31, 2022	75,556	5.1	5,440	2.1	9,904	16.1	8,177	27.3

Year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2023	196.11	196.02
March 31, 2022	100.68	100.64

(2) Financial position

Year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	94,631	67,559	71.4	866.01
March 31, 2022	93,428	67,111	71.8	828.46

(Reference) Shareholders' equity — March 31, 2023: 67,524 million yen, March 31, 2022: 67,076 million yen

\* This summary is not subject to audit procedures by certified public accountants or audit firms

\* Explanation regarding appropriate use of business forecasts and other special instructions

The forecasts regarding future performance in this report are based on the information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. These forecasts are not a guarantee of performance. Actual results may differ significantly from forecasts due to a variety of factors.

For more on business forecasts, see (4) *Future Outlook on P.7 of Consolidated Business Results for the Fiscal Year Ending March 31, 2024 (Accompanying Materials)*.

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## 1. Operating Results

### (1) Explanation of Operating Results

During the first half of the current consolidated fiscal year, the global economy experienced a gradual upswing under the with-COVID-19 era, despite differences in some regions. During the second half, however, the pace of recovery slowed due to global monetary tightening and rising prices. Business confidence in the Japanese manufacturing sector continued to deteriorate due to continued high raw materials prices. However, non-manufacturing sector conditions improved as COVID-19 infections subsided, while capital investment, housing construction, and public investment remained firm. Although the effects of the real estate recession remained in China, the country's economy trended toward recovery in domestic demand, particularly in consumer spending.

In response to these circumstances, the Fujitec Group continued with measures against infectious diseases while implementing our medium-term management plan *Vision24*. Our sales strategy in the Japanese market reflects the strong performance of *AirTap*, a touchless elevator button meeting the needs of the new normal. *SMA-UP*, a new packaged product for modernization, also performed well. In addition, we opened the Osaka Metropolitan Office as a business center in the Kinki area. In the global market, we implemented region-specific sales strategies tailored to the characteristics of each area. Business was active in South Asia, in particular, as evidenced by the receipt of a bulk order for approximately 300 elevators for the Housing & Development Board of Singapore. Under our product and technology strategy, we developed and introduced strategic models that match the maturity level of the market in each country. We developed a new anti-earthquake function for high-rise buildings that shortens the downtime of elevators in the event of an earthquake. We also launched *elemori*, an online service to confirm elevator and escalator operating information and change settings from a PC or smartphone. In March, we were certified by the Ministry of Economy, Trade and Industry as a DX Certified Operator. We intend to advance further in our response to social change brought about by digital technologies. Under our production and operations strategy, we reduced production costs through global procurement. In addition, we reduced installation costs by developing innovative installation methods and improving installation skills toward better efficiencies in the field. We began using smart glasses for certain maintenance operations, leveraging remote instructions by skilled technicians, as well as the sharing of technical skills. These efforts are helping improve operational efficiency. We bolstered our global production base by expanding production capacity at facilities in our elevator factory in Taiwan. Under our corporate strategy, we pursued aggressive M&A activities in Japan and overseas in this growth phase for our company, including the acquisition of Elevadores EV International in Mexico. In terms of capital policy, we repurchased and retired treasury shares to improve capital efficiency. We continued our ESG-related work by strengthening governance. We developed a sustainability promotion system, including TCFD-compliant information disclosures, registering our products for the European market under the environmental product declaration framework, and declaring our support of the TCFD recommendations. In this way and others, we continued to contribute to the creation of sustainable societies. In March, we were recognized as a 2023 Certified Health & Productivity Outstanding Organization by the Ministry of Economy, Trade and Industry. We also announced our multi-stakeholder policy in March.

In product development, we developed a new long-period seismic control operation system that incorporates a laser range scanner. This technology serves as an earthquake countermeasure for elevators in high-rise buildings and high-rise condominiums. With this mechanism, we identify shaking more precisely than before and shorten the downtime of elevators in the event of a long-period earthquake. In our maintenance business, we began *elemori*, a web service for building managers. This service, which we offer free of charge to our maintenance contract customers, allows building managers to check the operating status of elevators and escalators via PC or smartphone. Users also have access to verification and settings related to operating status, various information, and operating functions. The service offers prompt information and convenience, aiming to provide safe and secure social infrastructure. We are also developing robotics-linked technology that allows robots to move autonomously to different floors by connecting elevators and robots via the internet. This technology conforms to the common Robot Friendly Asset (RFA) standard, facilitating links among various robots. Using a robotics platform will aid in the use of robots from different manufacturers and different purposes (delivery, patrolling, cleaning, etc.) in buildings and housing complexes where elevators are installed. This type of platform also supports product and services

development adapted to diverse societies and supporting our goal of providing safe, secure, comfortable mobility worthy of the new generation.

Thanks to the support of our stakeholders, we celebrated the 75th anniversary of our founding in February of this year. We remain committed to continuing our pursuit of value creation with our stakeholders.

As a result of the matters discussed above, the Fujitec Group recorded business performance for the consolidated fiscal year ended March 31, 2023, as described below.

(Amounts less than one million yen are rounded down)

	FY2021 Q4 (April 1, 2021 - March 31, 2022)	FY2022 Q4 (April 1, 2022 - March 31, 2023)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Orders				
Japan	79,907	85,328	6.8	—
East Asia	81,508	59,973	(26.4)	(35.8)
South Asia	18,346	25,830	40.8	22.6
The Americas and Europe	27,014	45,848	69.7	55.4
Subtotal	206,777	216,980	4.9	—
Adjustments	(11,249)	(13,749)	—	—
Total	195,527	203,230	3.9	—
Order backlog				
Japan	72,842	80,659	10.7	—
East Asia	100,625	92,758	(7.8)	(19.8)
South Asia	20,695	26,574	28.4	11.8
The Americas and Europe	33,398	49,446	48.0	32.8
Subtotal	227,562	249,439	9.6	—
Adjustments	(3,382)	(4,540)	—	—
Total	224,179	244,898	9.2	—

Domestic orders remained firm. New installations increased year on year, mainly for retail locations, factories, and warehouses. We posted stronger performance year on year, as the Aftermarket Business saw orders increase for modernization projects to upgrade existing elevators and escalators. This increase was due mainly to our capture of a wide range of demand for new product and service launches including our New Lifestyle Package and the new *SMA-UP* modernization package. We also recorded solid sales for maintenance, which services and maintains elevators and escalators.

Despite an increase in new installations in Taiwan and South Korea, overseas orders in East Asia saw few new installations in China, mainly due to the Zero-COVID policy through December and the real estate recession. In South Asia, new installations rose in Singapore, Malaysia, and India, while modernization projects decreased in Singapore and Indonesia. In the Americas and Europe, we saw an increase for new installations in the U.S. and Canada, as well as an increase for modernization projects in the U.K.

(Amounts less than one million yen are rounded down)

	FY2021 Q4 (April 1, 2021 - March 31, 2022)	FY2022 Q4 (April 1, 2022 - March 31, 2023)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Net sales	187,018	207,589	11.0	—
Japan	72,983	75,005	2.8	—
Overseas	114,034	132,583	16.3	1.9
Operating income	13,777	11,619	(15.7)	—
Ordinary income	15,713	13,332	(15.2)	—
Profit attributable to owners of parent	10,835	8,433	(22.2)	—
Net income per share	133.42 yen	106.67 yen	—	—

We recorded higher year-on-year sales and lower operating income for the consolidated fiscal year. While sales increased, operating income in Japan and East Asia fell compared to the previous consolidated fiscal year. In addition to the decline in operating income, ordinary income decreased due to a provision of allowance for doubtful accounts. Profit before income taxes decreased mainly due to an impairment loss on goodwill related to a U.K. subsidiary.

As a result, profit attributable to owners of parent decreased year on year.

The following information highlights performance by segment:

Effective as of the consolidated first quarter, Fujitec Argentina S.A. is included in the scope of consolidation. Further, we changed the name of the reporting segment known previously *North America and Europe* to *The Americas and Europe*. The segment name post-change is also used for previous-year information.

(Amounts less than one million yen are rounded down)

	Net sales				Operating income			
	FY2021 Q4	FY2022 Q4	Change (%)	Real change, after excluding the impact of foreign exchange (%)	FY2021 Q4	FY2022 Q4	Change	Real change, after excluding the impact of foreign exchange
Japan	75,556	77,507	2.6	—	5,440	2,111	(3,329)	—
East Asia	78,463	82,927	5.7	(7.9)	5,165	4,486	(678)	(1,353)
South Asia	16,522	24,128	46.0	26.8	2,053	3,544	1,490	999
The Americas and Europe	27,186	36,361	33.8	19.5	1,128	1,525	397	249
Subtotal	197,729	220,925	11.7	—	13,788	11,668	(2,119)	—
Adjustments	(10,711)	(13,336)	—	—	(10)	(48)	(38)	—
Total	187,018	207,589	11.0	—	13,777	11,619	(2,157)	—

#### Japan

Sales rose year on year while profits decreased. Modernization project sales in the Aftermarket Business decreased for the full year; however sales increased in the second half of the year after a first half impacted significantly by construction delays due to parts procurement disruptions associated with the Shanghai lockdowns. At the same time, sales of new installations increased in connection with progress in construction of large-scale projects. Maintenance sales remained strong, also contributing to the overall increase in sales growth. Operating income fell by a wide margin. New installations and modernization projects saw deteriorating profitability due to higher materials costs in connection with soaring prices and a weak yen.

#### East Asia

Sales increased and profits decreased year on year (both sales and profits decreased when excluding the impact of foreign exchange). Net sales increased due to an increase in new installations in Hong Kong and Korea, as well as an increase in Japanese currency equivalents due to the weak yen. We did see a decrease in new installations in China due plant stoppages and delays at customer construction sites, etc., stemming from the country's Zero-COVID policy. At the same time, Hong Kong experienced a decrease in Aftermarket Business performance. Operating income decreased, affected by lower sales in the new installation business in China, soaring raw materials costs, and the recording of a provision for losses on construction contracts for a major project in Taiwan. Lower sales in the Aftermarket Business in Hong Kong also impacted performance.

#### South Asia

Both sales and profits increased year on year. Net sales increased due to performance of the new installations business in Singapore, Malaysia, and India, as well as an increase in the Aftermarket Business related to repair work in Singapore. However, new installation business sales decreased in Indonesia. Operating income increased, despite a decrease in new installations in India due to soaring raw materials costs. Sales growth in the Aftermarket Business in Singapore and improved profitability in the new installation business in Indonesia contributed to the increase in operating income.

#### The Americas and Europe

Both sales and profits increased year on year. Net sales increased due to new installation business performance in the U.K. The Aftermarket Business reported firm results across all regions. The addition of Fujitec Argentina S.A. to the scope of consolidation also had a positive impact on performance. Despite lower profitability stemming from increased maintenance personnel expenses and other expenses in the Aftermarket Business in the U.S., operating income increased due to stemming from the contribution of adding our Argentinian subsidiary to the scope of consolidation.

## **(2) Explanation of Financial Position**

Total assets as of the end of the consolidated fiscal year under review amounted to 230,098 million yen, an increase of 9,489 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in notes and accounts receivable-trade, and contract assets, raw materials and supplies and other inventories, property, plant and equipment, and investment securities.

Total liabilities amounted to 85,980 million yen, an increase of 5,853 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in short-term debt and notes and accounts payable-trade, offset in part by decreases in advances from customers and provision for losses on construction contracts.

Net assets amounted to 144,118 million yen, an increase of 3,635 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to an increase in profit attributable to owners of parent of 8,433 million yen, an increase in foreign currency translation adjustments of 7,892 million yen, an increase in retained earnings due to a change in scope of consolidation of 1,470 million yen, and an increase in non-controlling interests of 1,220 million yen. These increases were offset in part by 8,932 million yen in purchase of treasury stock acquisitions and 6,427 million yen in dividend payments. Our shareholders' equity ratio as of the end of the consolidated fiscal year under review was 55.6%, down 1.3 points compared to the end of the prior consolidated fiscal year. Net assets per share amounted to 1,640.29 yen, up 90.46 yen compared with the end of the prior consolidated fiscal year.

### (3) Consolidated Cash Flows

Cash and equivalents as of the end of the consolidated fiscal year under review amounted to 31,463 million yen, a decrease of 7,578 million yen compared with the end of the prior consolidated fiscal year.

The following describes cash flows from each source and change factors for consolidated fiscal year ended March 31, 2023.

#### Cash Flows From Operating Activities

Net cash used in operating activities amounted to 2,346 million yen, compared with 9,846 million yen provided in the previous fiscal year. This result was mainly due to an increase in inventories of 4,283 million yen, an increase in notes and accounts receivable-trade of 4,281 million yen, a decrease in advances received of 3,354 million yen, and a decrease in provision for loss on construction contracts of 2,306 million yen, against profit before income taxes of 12,436 million yen.

#### Cash Flows From Investing Activities

Net cash provided by investing activities amounted to 1,949 million yen, compared with 3,994 million yen used in the previous fiscal year. This result was mainly due to a net decrease in time deposits of 8,376 million yen against purchases of property, plant and equipment of 3,723 million yen, purchases of investment securities of 1,805 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 1,756 million yen.

#### Cash Flows From Financing Activities

Net cash used in financing activities amounted to 10,670 million yen, an increase of 4,150 million yen compared with the prior consolidated fiscal year. This result was mainly due to purchase of treasury stock of 8,559 million yen and dividend payments, against a net increase in short-term borrowings of 5,775 million yen.

#### (Reference) Changes in Cash Flow Indicators

	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023
Shareholders' equity ratio (%)	55.7	55.2	54.8	56.9	55.6
Equity ratio based on market capitalization (%)	53.6	58.3	93.2	115.6	111.3
Ratio of interest-bearing debt to cash flow (annual)	0.4	0.4	0.2	0.5	(5.1)
Interest coverage ratio (times)	110.7	107.6	225.6	144.1	(15.4)

#### (Notes) Equity ratio: Equity/total assets

Equity ratio based on market capitalization: Market capitalization/total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/cash flow

Interest coverage ratio: Cash flow/interest payments

1. All indicators were calculated using consolidated financial data.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year (after deducting treasury stock).
3. Cash flows are based on cash flows from operating activities shown in the consolidated statements of cash flows. Interest-bearing debt is based on all debt shown on the consolidated balance sheets for which interest is paid. Interest payments are based on the amount of interest paid in the consolidated statements of cash flows.



#### (4) Future Outlook

(Amounts less than one million yen are rounded down)

	Next Fiscal Year Ending March 31, 2024	Year-on-Year Change (%)
Net sales	223,000	7.4
Operating income	13,400	15.3
Ordinary income	15,100	13.3
Profit attributable to owners of parent	10,400	23.3
Net income per share	133.38yen	—

(Amounts less than one million yen are rounded down)

	Net sales		Operating income	
	Next Fiscal Year	Year-on-Year Change (%)	Next Fiscal Year	Year-on-Year Change
Japan	85,000	9.7	3,400	1,288
East Asia	87,000	4.9	4,400	(86)
South Asia	25,000	3.6	3,700	155
The Americas and Europe	39,000	7.3	2,000	474
Subtotal	236,000	6.8	13,500	1,831
Adjustments	(13,000)	—	(100)	(51)
Total	223,000	7.4	13,400	1,780

##### Outlook for the Next Fiscal Year

In the next fiscal year, the global economy is expected to continue to recover, supported by the easing COVID-19-related restrictions on socioeconomic activities. However, the speed of recovery is likely to slow due to continued uncertainty about the future, including ongoing inflation in countries around the world, financial instability in Europe and the United States, and concerns about the global situation.

The Fujitec Group remains committed to placing the highest priority on the safety and security of our employees and other affiliated persons. While we understand the concerns about supply chain impacts of rising raw materials prices and concerns of the global situation, we will endeavor to improve profitability through sales strategies tailored to market characteristics and cost reforms based on production and operations strategies.

As a result of the preceding, and based on the assumption that trends in economic recoveries continue, we forecast net sales of 223,000 million yen (up 7.4% increase compared with the current fiscal year), operating income of 13,400 million yen (up 15.3%), ordinary income of 15,100 million yen (up 13.3%), and profit of 10,400 million yen (up 23.3%).

##### Assumptions Used in Outlook for the Next Fiscal Year

The earnings forecasts above are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. These forecasts are not a guarantee of performance. Actual results may differ significantly from forecasts due to a variety of factors. Major factors include economic conditions in our major markets (Japan, Asia, the Americas, and Europe), fluctuations in product supply and demand, raw material price trends, and exchange rate fluctuations. We have assumed a US\$1 to 125 yen average exchange rate for our full-year forecasts.

## **(5) Basic Policy on Appropriation of Profits and Dividends for the Current and Next Fiscal Years**

In line with the capital policy we defined in our Vision24 medium-term management plan, our approach to profit distribution considers improved capital efficiency and enhancing shareholder returns to be our most important management priority. We endeavor to maintain a healthy financial foundation in support of active capital investments in growth areas, M&A activities, and other means of business growth. At the same time, we strive to continue dividends aiming for a consolidated payout ratio of 50%, while also looking for opportunities to purchase treasury stock at amounts equivalent to 50% of net cash provided by operating activities, excluding dividends.

As announced on May 13, 2022, we will pay a year-end dividend of 40 yen per share (including a 5 yen commemorative dividend) for the current fiscal year. As a result, the annual dividend will be 75 yen per share, including an interim dividend of 35 yen per share. As a result, our consolidated dividend payout ratio amounted to 70.3%.

We plan to pay an annual dividend of 75 yen per share in the next fiscal year, representing an interim dividend of 35 yen per share and a year-end dividend of 40 yen per share.

## **2. Basic Approach to Selection of Accounting Standards**

The Fujitec Group prepares consolidated financial statements in accordance with Japanese GAAP to ensure comparability of our consolidated financial statements from period to period and from company to company.

Our policy regarding the adoption of international financial accounting standards is to respond in an appropriate manner, taking into consideration various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	76,956	58,297
Notes and accounts receivable-trade, and contract assets	66,123	75,545
Merchandise and finished goods	3,812	4,968
Work in process	2,281	3,303
Raw materials and supplies	9,004	12,382
Other	8,213	7,771
Allowance for doubtful accounts	(3,119)	(3,135)
Total current assets	163,273	159,132
Fixed assets		
Property, plant and equipment		
Buildings and structures	37,437	39,870
Accumulated depreciation	(18,329)	(19,801)
Buildings and structures, net	19,108	20,068
Machinery and equipment	13,758	16,198
Accumulated depreciation	(9,894)	(10,554)
Machinery and equipment, net	3,864	5,644
Tools, furniture and fixtures	8,874	9,851
Accumulated depreciation	(6,439)	(7,111)
Tools, furniture and fixtures, net	2,434	2,739
Land	6,849	7,200
Leased assets	1,252	3,233
Accumulated depreciation	(612)	(1,222)
Leased assets, net	640	2,010
Construction in progress	2,386	843
Total property, plant and equipment	35,283	38,506
Intangible assets		
Goodwill	1,227	1,612
Other	3,609	3,756
Total intangible assets	4,837	5,368
Investments and other assets		
Investments securities	8,356	10,059
Long-term loans receivable	26	1,262
Net defined benefit asset	598	—
Deferred tax assets	4,904	4,850
Other	3,456	11,698
Allowance for doubtful accounts	(127)	(780)
Total investments and other assets	17,215	27,090
Total fixed assets	57,335	70,966
<b>Total assets</b>	<b>220,609</b>	<b>230,098</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	16,637	18,548
Electronically recorded obligations-operating	3,149	3,904
Short-term debt	3,493	9,789
Current portion of long-term debt	—	6
Accrued income taxes	2,035	1,430
Provision for bonuses	3,288	2,628
Provision for director bonuses	93	46
Provision for losses on construction contracts	10,169	8,568
Provision for warranties for completed construction	1,976	2,086
Provision for shareholder benefit program	78	114
Advances from customers	22,428	21,010
Other	11,342	11,752
Total current liabilities	74,691	79,888
Non-current liabilities		
Long-term debt	381	13
Deferred tax liabilities	84	173
Net defined benefit liability	4,272	4,232
Asset retirement obligations	24	53
Long-term accounts payable - other	179	—
Other	493	1,618
Total non-current liabilities	5,435	6,092
Total liabilities	80,126	85,980
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	12,533	12,533
Additional paid-in capital	14,474	14,475
Retained earnings	104,649	99,546
Treasury stock	(2,267)	(2,287)
Total Shareholders' equity	129,391	124,268
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,475	2,426
Deferred gains or losses on hedges	17	(127)
Foreign currency translation adjustments	(5,794)	2,098
Remeasurements of defined benefit plans	(607)	(768)
Total accumulated other comprehensive income	(3,908)	3,629
Stock acquisition rights	35	35
Non-controlling interests	14,964	16,185
Total net assets	140,482	144,118
<b>Total liabilities and net assets</b>	<b>220,609</b>	<b>230,098</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

(Millions of yen)

	FY2021 Q4 April 1, 2021 - March 31, 2022	FY2022 Q4 April 1, 2022 - March 31, 2023
Net sales	187,018	207,589
Cost of sales	145,446	165,430
Gross profit	41,572	42,158
Selling, general and administrative expenses	27,794	30,538
Operating income	13,777	11,619
Other income		
Interest income	874	1,175
Dividend income	372	235
Foreign exchange gains	407	649
Rent income	145	154
Miscellaneous income	535	425
Total other income	2,336	2,641
Other expenses		
Interest expenses	94	185
Provision of allowance for doubtful accounts	176	571
Commission for purchase of treasury shares	—	93
Miscellaneous loss	130	77
Total other expenses	400	928
Ordinary income	15,713	13,332
Special gain		
Gain on sales of property, plant and equipment	63	16
Gain on sales of investment securities	200	10
Subsidy income	610	268
Total special gain	874	295
Special loss		
Loss on sales of property, plant and equipment	85	5
Loss on retirement of property, plant and equipment	12	37
Impairment loss	30	1,146
Loss on sales of investment securities	—	0
Loss on valuation of investment securities	40	0
Loss on valuation of shares of subsidiaries and associates	43	1
Loss on valuation of investments in capital of subsidiaries and associates	22	—
Loss related to infectious diseases	85	—
Total special loss	319	1,190
Profit before income taxes	16,268	12,436
Income taxes expense	4,007	2,474
Deferred taxes expense	298	523
Total income taxes	4,306	2,998
Profit	11,961	9,438
Profit attributable to non-controlling interests	1,125	1,005
Profit attributable to owners of parent	10,835	8,433

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	FY2021 Q4 April 1, 2021 - March 31, 2022	FY2022 Q4 April 1, 2022 - March 31, 2023
Profit	11,961	9,438
Other comprehensive income		
Valuation difference on available-for-sale securities	(205)	(49)
Deferred gains or losses on hedges	53	(172)
Foreign currency translation adjustments	10,041	9,953
Remeasurements of defined benefit plans	34	(162)
Total other comprehensive income	9,923	9,568
Comprehensive income	21,885	19,007
Comprehensive income attributable to:		
Owners of parent	18,828	17,113
Non-controlling interests	3,056	1,894

### (3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the current fiscal year	12,533	14,474	102,516	(5,206)	124,318
Cumulative effects of changes in accounting policies			140		140
Restated balance	12,533	14,474	102,657	(5,206)	124,459
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Dividends from surplus			(5,298)		(5,298)
Changes in scope of consolidation					—
Profit attributable to owners of parent			10,835		10,835
Purchases of treasury stock				(1,004)	(1,004)
Disposal of treasury stock		15		382	398
Cancellation of treasury stock		(3,560)		3,560	—
Transfer from retained earnings to capital surplus		3,545	(3,545)		—
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	0	1,992	2,938	4,931
Balance at the end of the current fiscal year	12,533	14,474	104,649	(2,267)	129,391

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the current fiscal year	2,681	(27)	(13,913)	(641)	(11,901)	35	12,812	125,264
Cumulative effects of changes in accounting policies								140
Restated balance	2,681	(27)	(13,913)	(641)	(11,901)	35	12,812	125,405
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								0
Dividends from surplus								(5,298)
Changes in scope of consolidation								—
Profit attributable to owners of parent								10,835
Purchases of treasury stock								(1,004)
Disposal of treasury stock								398
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	(205)	44	8,119	34	7,993	—	2,152	10,145
Total changes during the current fiscal year	(205)	44	8,119	34	7,993	—	2,152	15,077
Balance at the end of the current fiscal year	2,475	17	(5,794)	(607)	(3,908)	35	14,964	140,482

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the current fiscal year	12,533	14,474	104,649	(2,267)	129,391
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Dividends from surplus			(6,427)		(6,427)
Changes in scope of consolidation			1,470		1,470
Effect of hyperinflation			(19)		(19)
Profit attributable to owners of parent			8,433		8,433
Purchases of treasury stock				(8,932)	(8,932)
Disposal of treasury stock		7		345	352
Cancellation of treasury stock		(8,567)		8,567	—
Transfer from retained earnings to capital surplus		8,560	(8,560)		—
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	0	(5,103)	(19)	(5,122)
Balance at the end of the current fiscal year	12,533	14,475	99,546	(2,287)	124,268

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the current fiscal year	2,475	17	(5,794)	(607)	(3,908)	35	14,964	140,482
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								0
Dividends from surplus								(6,427)
Changes in scope of consolidation								1,470
Effect of hyperinflation								(19)
Profit attributable to owners of parent								8,433
Purchases of treasury stock								(8,932)
Disposal of treasury stock								352
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	(49)	(144)	7,892	(161)	7,537	—	1,220	8,758
Total changes during the current fiscal year	(49)	(144)	7,892	(161)	7,537	—	1,220	3,635
Balance at the end of the current fiscal year	2,426	(127)	2,098	(768)	3,629	35	16,185	144,118



#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021 Q4 April 1, 2021 - March 31, 2022	FY2022 Q4 April 1, 2022 - March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,268	12,436
Depreciation and amortization	3,343	4,029
Impairment loss	30	1,146
Increase (decrease) in allowance for doubtful accounts	429	294
Increase (decrease) in provision for bonuses to employees	(516)	(785)
Increase (decrease) in provision for loss on construction contracts	1,638	(2,306)
Interest and dividend income	(1,247)	(1,411)
Interest expenses	94	185
Decrease (increase) in notes and accounts receivable-trade	245	(4,281)
Decrease (increase) in inventories	(1,569)	(4,283)
Increase (decrease) in notes and accounts payable-trade	(2,226)	870
Loss (gain) on sales of investment securities	(200)	(10)
Increase (decrease) in advances received	226	(3,354)
Loss (gain) on sales and retirement of property, plant and equipment	33	25
Increase (decrease) in net defined benefit liability	287	49
Loss (gain) on valuation of investment securities	40	0
Other, net	(1,114)	(1,153)
Subtotal	15,763	1,453
Income taxes paid	(5,917)	(3,799)
Net cash provided by (used in) operating activities	9,846	(2,346)
Cash flows from investing activities		
Payments into time deposits	(18,925)	(17,503)
Proceeds from withdrawal of time deposits	16,875	25,879
Purchase of property, plant and equipment	(3,262)	(3,723)
Proceeds from sales of property, plant and equipment	471	32
Purchase of investment securities	(2)	(1,805)
Proceeds from sales of investment securities	245	46
Purchase of intangible assets	(207)	(233)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,756)
Collection of loans receivable	62	177
Interest and dividends received	1,218	1,116
Other, net	(469)	(281)
Net cash provided by (used in) investing activities	(3,994)	1,949

(Millions of yen)

	FY2021 Q4 April 1, 2021 - March 31, 2022	FY2022 Q4 April 1, 2022 - March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	926	5,775
Proceeds from long-term borrowings	—	0
Repayments of long-term borrowings	(428)	(383)
Purchase of treasury shares	(1,004)	(8,559)
Interest paid	(68)	(152)
Cash dividends paid	(5,275)	(6,414)
Dividends paid to non-controlling interests	(779)	(806)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3)	(1)
Other, net	112	(128)
Net cash provided by (used in) financing activities	(6,520)	(10,670)
Effect of exchange rate change on cash and cash equivalents	3,870	3,279
Net increase (decrease) in cash and cash equivalents	3,202	(7,788)
Cash and cash equivalents at beginning year	35,840	39,042
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	209
Cash and cash equivalents at end of year	39,042	31,463

## **(5) Notes to the Consolidated Financial Statements**

### **(Notes Regarding Assumptions of Going Concern)**

Not applicable.

### **(Changes in Accounting Policies)**

(Adoption of U.S. GAAP Accounting Standards Update (ASU) 2016-02, *Leases*)

Effective as of current consolidated fiscal year, Fujitec Group subsidiaries utilizing U.S. GAAP accounting standards have adopted ASU 2016-02, *Leases*. As a result, in principle, all leases are recorded as assets and liabilities on the balance sheet by lessees. The adoption of this accounting standards update has not had a material impact on the consolidated financial statements.

### **(Changes in Presentation Methods)**

(Consolidated statements of cash flows)

*Impairment loss*, recorded under *other, net* in *cash flows from operating activities* in the previous consolidated fiscal year, has been presented separately for the current consolidated fiscal year due to increased materiality of the figure in question. We have revised the consolidated financial statements of the previous consolidated fiscal year to reflect this change in presentation method.

As a result, the amount of (1,083) million yen presented as *other, net* under *cash flows from operating activities* in the previous consolidated fiscal year is now presented as *impairment loss* of 30 million yen and *other, net* of (1,114) million yen.

### **(Supplemental Information)**

(Transaction to deliver Fujitec Co., Ltd. shares to employees, etc. via trust)

At a meeting held November 6, 2020, the Fujitec Co., Ltd. board of directors resolved to adopt a Trust-Type Employee Shareholding Incentive Plan (E-Ship; “Plan”). The purpose of this plan is to incentivize employees to raise corporate value over the medium and long term, to expand employee welfare benefits, and to encourage steady company growth by motivating employees through equity participation.

#### (1) Outline of the transaction

The Plan is a Trust-Type Employee Shareholding Incentive Plan (E-Ship) available to all employees who participate in the Fujitec Employee Shareholding Association (“Shareholding Association”). Under the Plan, the company will establish the Fujitec Employee Shareholding Association Trust (“Trust”) within a trust bank with whom the company has a business relationship. The Trust will acquire company stock that the Shareholding Association is expected to acquire over the next five years via third party allotment, leveraging borrowings from the company’s transaction financial institutions as the source of funds. Thereafter, the Trust will sell the company shares in question to the Shareholding Association on an ongoing basis. If, upon the conclusion of the Trust, the Trust has accumulated an amount equivalent to a gain on sale of stock, such amount equivalent to said gain shall be distributed as residual assets to those persons meeting requirements as beneficiaries. Fujitec Co., Ltd. will guarantee the loans used to acquire company shares by the Trust. Therefore, if the Trust accumulates an amount equivalent to a loss on sale of stock and the Trust has accumulated a debt balance equivalent to such loss on the sale of company stock at the conclusion of the Trust, the company will repay the remaining debt in question.

#### (2) Shares of the company remaining in the Trust

Company shares remaining in the Trust are recorded as treasury stock under net assets at the carrying value of the Trust (excluding incidental expenses). The carrying value and number of shares of the treasury stock in question amounted to 442 million yen and 197 thousand shares for the previous consolidated fiscal year, and 115 million yen and 51 thousand shares for the current consolidated fiscal year.

(3) Carrying value of borrowings recorded via application of the gross method

Previous consolidated fiscal year: 381 million yen; current consolidated fiscal year: — million yen

(Hyperinflation Accounting)

We applied IAS 29, *Financial Reporting in Hyperinflationary Economies*, for adjustments in connection with the consolidation of the financial statements of Fujitec Argentina S.A., an entity included in the scope of consolidation in the current consolidated fiscal year. The economy of Argentina indicated a cumulative inflation rate exceeding 100% over a three-year period.

## **(Segment and Other Information)**

### 1 Overview of reportable segments

The Fujitec Group's reportable segments are units of the group whose financial information is available separately and are reviewed regularly by the Fujitec Co., Ltd. board of directors for determining the distribution of management resources and the evaluation of business performance.

The Fujitec Group is engaged mainly in the production, sales, installation, and maintenance of elevators, escalators, and other products. Fujitec Co., Ltd. is in charge of businesses in Japan, while independent local subsidiaries are in charge of overseas businesses in East Asia (China, Hong Kong, Taiwan, and South Korea), South Asia (mainly Singapore and India), and The Americas and Europe (the United States, Canada, Argentina and the United Kingdom).

Accordingly, the Fujitec Group consists of regional segments based on an integrated system of production, sales, installation, and maintenance, representing four reportable segments: (1) Japan, (2) East Asia, (3) South Asia, and (4) The Americas and Europe.

Effective as of the current consolidated fiscal year, Fujitec Argentina S.A. is included in the scope of consolidation. Further, we changed the name of the reporting segment known previously *North America and Europe* to *The Americas and Europe*.

The segment name post-change is also used for the information presented for the previous consolidated fiscal year.

### 2 Method of calculating net sales, profit (loss), assets, liabilities, and other items of each reportable segment

The accounting treatment for each reportable segment is essentially the same as that used in the preparation of the consolidated financial statements. Profit for each reportable segment reflects figures based on operating income.

Intersegment internal revenues and transfers are based on prevailing market prices.

3 Information on net sales, profit (loss), assets, liabilities, and other items of each reportable segment

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	73,069	70,280	16,521	27,147	187,018	—	187,018
Intersegment sales/transfers	2,487	8,183	1	38	10,711	(10,711)	—
Total	75,556	78,463	16,522	27,186	197,729	(10,711)	187,018
Segment income	5,440	5,165	2,053	1,128	13,788	(10)	13,777
Segment assets	93,381	109,620	25,630	19,337	247,969	(27,360)	220,609
Other items							
Depreciation and amortization	1,932	895	265	250	3,343	—	3,343
Amortization of goodwill	—	—	—	117	117	—	117
Impairment loss	30	—	—	—	30	—	30
Increase in property, plant and equipment and intangible assets	2,302	545	1,045	194	4,088	—	4,088

Note 1 Adjustments are as follows:

(1) Segment income adjustment of (10) million yen is due to inventory adjustments.

(2) Segment asset adjustments of (27,360) million yen include eliminations of intersegment transactions of (27,197) million yen and inventory adjustments of (162) million yen.

2 Segment income has been adjusted to operating income on the consolidated statements of income.

Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	75,035	72,103	24,123	36,326	207,589	—	207,589
Intersegment sales/transfers	2,471	10,824	5	35	13,336	(13,336)	—
Total	77,507	82,927	24,128	36,361	220,925	(13,336)	207,589
Segment income	2,111	4,486	3,544	1,525	11,668	(48)	11,619
Segment assets	94,584	106,178	35,660	23,642	260,065	(29,967)	230,098
Other items							
Depreciation and amortization	2,143	957	338	590	4,029	—	4,029
Amortization of goodwill	—	—	35	81	117	—	117
Impairment loss	99	—	—	1,046	1,146	—	1,146
Increase in property, plant and equipment and intangible assets	2,703	178	851	793	4,527	—	4,527

Note 1 Adjustments are as follows:

- (1) Segment income adjustments of (48) million yen include eliminations of intersegment transactions of 6 million yen and inventory adjustments of (55) million yen.
  - (2) Segment asset adjustments of (29,967) million yen include eliminations of intersegment transactions of (29,766) million yen and inventory adjustments of (201) million yen.
- 2 Segment income has been adjusted to operating income on the consolidated statements of income.

#### 4. Information related to impairment of fixed assets, goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

In the Americas and Europe segment, we recorded an impairment loss of 1,046 million yen on goodwill related to Amalgamated Lifts Limited.

(Significant changes in goodwill)

In the Americas and Europe segment, we recorded an impairment loss on goodwill, resulting in a significant change in the balance of goodwill. As a result, goodwill decreased 1,035 million yen.

During the current consolidated fiscal year, the Company acquired all outstanding shares of Express Lifts Limited through wholly owned subsidiary FUJITEC INDIA PRIVATE LTD., adding the aforementioned company as a consolidated entity. As a result of this transaction, goodwill in the South Asia segment increased 1,462 million yen. The balance of goodwill is based on a provisional calculation since we have not completed allocations of acquisition cost as of the end of the current consolidated fiscal year.

**(Per-Share Information)**

Item	Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net assets per share	1,549.83 yen	1,640.29 yen
Net income per share	133.42 yen	106.67 yen
Diluted net income per share	133.36 yen	106.62 yen

Note 1 In calculating the number of shares of common stock and average number of shares of common stock during the period used as a basis for the calculation per-share information, treasury shares deducted for said calculation include Fujitec Co., Ltd. stock (197,500 shares as of the end of the previous consolidated fiscal year; 51,400 shares as of the end of the current consolidated fiscal year under review) held as a trust-type employee shareholding incentive plan (E-Ship). The average number of Fujitec Co., Ltd. shares held in the trust was 280,515 shares in the previous consolidated fiscal year and 124,154 shares in the current consolidated fiscal year under review.

2 The basis for calculating net income per share and diluted net income per share is shown in the table below.

Item	Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	10,835	8,433
Amounts not attributable to shareholders of common stock (Millions of yen)	—	—
Profit attributable to common stock owners of parent (Millions of yen)	10,835	8,433
Average number of outstanding shares of common stock (Thousand shares)	81,213	79,062
Diluted net income per share		
Adjustment of net income attributable to owners of parent (Millions of yen)	—	—
Increase in number of common stock (Thousand shares)	38	38
(Stock acquisition rights included) (Thousand shares)	(38)	(38)
Outline of dilutive stock not included in calculation of diluted net income per share due to anti-dilutive effect	—	—

3 The basis for calculating net assets per share is shown in the table below.

Item	As of March 31, 2022	As of March 31, 2023
Total net assets (Millions of yen)	140,482	144,118
Amount deducted from total net assets (Millions of yen)	15,000	16,220
(Stock acquisition rights included) (Millions of yen)	(35)	(35)
(Non-controlling interests included) (Millions of yen)	(14,964)	(16,185)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	125,482	127,897
Number of common shares at the end of the fiscal year used to calculate net assets per share (Thousand shares)	80,965	77,972

**(Significant Subsequent Events)**

Not applicable.