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May 12, 2021

Consolidated Business Results for the Fiscal Year Ended March 31, 2021 (Japan GAAP)

Company: **FUJITEC CO., LTD.**

Listed on TSE1

Stock Code: 6406

URL: <https://www.fujitec.com>

Representative: Takakazu Uchiyama, President and CEO

TEL: +81-72-622-8151

Contact: Masashi Tsuchihata, Senior Executive Operating Officer, General Manager of Finance HQ

Expected date of general shareholder's meeting: June 22, 2021 Expected starting date of dividend payment: June 23, 2021

Expected date of submission of statutory financial report: June 23, 2021

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, 2021 (April 1, 2020 to March 31, 2021)

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

Year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	169,573	(6.4)	13,288	(0.6)	14,633	(0.3)	9,287	(6.3)
March 31, 2020	181,232	6.1	13,375	29.7	14,682	23.2	9,916	7.6

(Note) Comprehensive income — March 31, 2021: 11,003 million yen (25.2%), March 31, 2020: 8,790 million yen (58.2%)

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, 2021	114.52	114.46	8.5	7.3	7.8
March 31, 2020	122.46	122.40	9.5	7.8	7.4

(Note) Investment profit on equity method — March 31, 2021: — million yen, March 31, 2020: — million yen

(2) Financial position

Year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	205,196	125,264	54.8	1,385.45
March 31, 2020	193,581	118,714	55.2	1,318.59

(Reference) Shareholders' equity — March 31, 2021: 112,417 million yen, March 31, 2020: 106,913 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
	Million yen	Million yen	Million yen	Million yen
March 31, 2021	21,542	(7,955)	(5,866)	35,840
March 31, 2020	11,078	(4,341)	(3,800)	28,181

2. Cash dividends

Year ended	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			
March 31, 2020	—	20.00	—	30.00	50.00	4,054	40.8	3.9
March 31, 2021	—	20.00	—	40.00	60.00	4,881	52.4	4.4
Year ending March 31, 2022 (Projection)	—	25.00	—	35.00	60.00		52.3	

3. Consolidated Earnings Projections for the Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022) (April 1, 2021 to March 31, 2022)

(% change from the previous corresponding period)

Year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
March 31, 2022	184,000	8.5	13,900	4.6	14,000	(1.6)	9,300	0.1	114.68

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: No
 - 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, 2021: 85,300,000 shares	Year ended March 31, 2020: 90,067,000 shares
2) Treasury stock at the end of period:	Year ended March 31, 2021: 4,159,010 shares	Year ended March 31, 2020: 8,985,121 shares
3) Weighted average number of shares outstanding during the period:	Year ended March 31, 2021: 81,094,572 shares	Year ended March 31, 2020: 80,977,630 shares

(Note) Treasury stock as of March 31, 2021, includes 362,000 shares of Fujitec Co., Ltd. stock held by the Trust-Type Employee Shareholding Incentive Plan (E-Ship).

(Reference) Summary of Non-consolidated Results

1. Non-consolidated business performance for the fiscal year ended March 31, 2021

(April 1, 2020 to March 31, 2021)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
March 31, 2021	71,859	(3.9)	5,330	9.0	8,527	8.8	6,423	5.3
March 31, 2020	74,751	3.1	4,891	(6.0)	7,839	(2.4)	6,101	(12.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended		
March 31, 2021	79.21	79.17
March 31, 2020	75.35	75.31

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended				
March 31, 2021	92,153	65,630	71.2	808.40
March 31, 2020	87,110	61,655	70.7	759.91

(Reference) Shareholders' equity — March 31, 2021: 65,594 million yen, March 31, 2020: 61,614 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.6 of Consolidated Business Results for the Fiscal Year Ended March 31, 2021(Accompanying Materials)*.

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1. Operating Results

(1) Explanation of Operating Results

(Amounts less than one million yen are rounded down)

	FY2019 Q4 (April 1 - March 31, 2020)	FY2020 Q4 (April 1 - March 31, 2021)	Change (%)
Net sales	181,232	169,573	(6.4)
Japan	72,519	69,420	(4.3)
Overseas	108,712	100,153	(7.9)
Operating income	13,375	13,288	(0.6)
Ordinary income	14,682	14,633	(0.3)
Profit attributable to owners of parent	9,916	9,287	(6.3)
Net income per share	122.46 yen	114.52 yen	—

Throughout the consolidated fiscal year ended March 31, 2021, the global economy continued to face the impact of the global spread of COVID-19. However, signs of recovery emerged during the second half of the fiscal year. The Chinese economy continued to recover owing to COVID-19 control measures. At the same time, countries and regions elsewhere in Asia showed ongoing signs of economic recovery. Economic and monetary easing measures in the United States strengthened the recovery in that country. The situation Japan has remained challenging. The government issued another state of emergency declaration in response to the re-emergence of infections, although the country's manufacturing and other industries experienced a gradual recovery.

Demand for new installations in the elevator and escalator industry increased on a per-elevator basis in China. However, demand declined significantly in other Asian countries and regions, as well as in North America, due to the impact of the COVID-19 pandemic. On the other hand, our maintenance business, which provides maintenance for the elevators and escalators, experienced only a limited impact of the pandemic, since we are a provider of social infrastructure in every country and region in which we operate.

Amid these challenging circumstances, the Fujitec Group engaged in measures to prevent the spread of COVID-19, placing the highest priority on the safety and security of our customers, business partners, and employees. In accordance with the state of infections and governmental policies, we engaged in conscientious activities to avoid the Three Cs (closed spaces, crowded places, close-contact settings) through telecommuting, full flextime scheduling, and other measures. Through our businesses, we continued to provide safe, reliable maintenance services, which are part of the foundations of society. At the same time, we endeavored to expand sales of our new standard model elevator, XIOR. In response to the new normal, we commercialized a number of products, including our *AirTap* technology (touchless elevator operation), for new and existing installations. In addition, we opened "Creative Studio," an information base for disseminating our latest technologies to customers, at Big Wing (Hikone City, Shiga Prefecture), our Tokyo Head Office, and Big Step (Toyooka City, Hyogo Prefecture). By allowing customers to experience our latest technologies at these locations, we strive to deepen our relationship of trust and enhance our brand power.

Amid the environment discussed above, the Fujitec Group recorded business performance for the consolidated fiscal year ended March 31, 2021, as described below.

In the Japanese market, our New Installation business saw weaker demand from apartment buildings, hotels, and other facilities during the consolidated fiscal year under review due to the impact of COVID-19. As a result, orders for new installations were lower compared to the prior fiscal year. The Aftermarket business experienced a solid performance increase, stemming from an increase in orders from government agencies and other customers for modernization projects related to

existing elevators and escalators. In addition, our maintenance business, which performs maintenance for elevators and escalators experienced improved contract rates as we endeavored to offer proposals that reflect customer needs.

In overseas markets, orders in East Asia were largely affected by a decrease in new installations in China, despite an increase in modernization work in Hong Kong and Korea. In South Asia, orders decreased due to fewer new installations in India, despite growth in New Installations and Aftermarket business in Singapore, as well as an increase in New Installation business in Indonesia. Our North America and Europe segment saw an increase in new installations in the U.S. Related to large-scale project orders, combined with a decrease in the Aftermarket business. New installations were lower in Canada. Orders rose in the U.K due to the new consolidation of a subsidiary owing to a corporate acquisition in February 2020.

As a result, total orders received amounted to ¥174,648 million (down 6.3% year on year), consisting of ¥71,605 million in domestic orders received (down 1.0%) and ¥103,042 million in overseas orders received (down 9.6%; down 7.3% after excluding the impact of foreign exchange).

Total net sales amounted to ¥169,573 million (down 6.4%), consisting of ¥69,420 million in domestic net sales (down 4.3%) and ¥100,153 million in overseas net sales (down 7.9%; down 5.5% after excluding the impact of foreign exchange).

Total order backlog amounted to ¥211,024 million (up 1.5% year on year), consisting of domestic order backlog in the amount of ¥67,954 million (up 3.4%) and overseas order backlog in the amount of ¥143,069 million (up 0.7%; up 3.3% after excluding the impact of foreign exchange).

Operating income rose year on year in Japan, while decreasing in North America and Europe, amounting to ¥13,288 million (down 0.6%). Ordinary income amounted to ¥14,633 million (down 0.3%), stemming from a decrease in financial income. Profit before income taxes and other adjustments amounted to ¥15,025 million (up 3.7%), mainly due to an increase in subsidy income. Profit attributable to owners of parent amounted to ¥9,287 million (down 6.3%), owing mainly to an increase in income taxes.

In terms of product development, we conducted a full model change for the XIOR standard elevator in April 2020. XIOR includes a special elevator air conditioner, Air Tap technology (touchless operations), and other features that make XIOR a model for a new era far beyond conventional standards. Further, we now offer a lineup of unique safe, secure, and comfortable features that respond to the new normal. These features include a current capacity status display, IONFUL, an air purifier that inhibits the action of viruses in elevators, and other features that help riders avoid the Three Cs in elevator cars. For escalators, we developed an ultraviolet handrail sterilization device. These hygienic and comfortable clean functions can be incorporated not only in new elevators and escalators, but also in existing equipment.

The following information highlights performance by segment:

(Amounts less than one million yen are rounded down)

	Net sales			Operating income		
	FY2019 Q4	FY2020 Q4	Change (%)	FY2019 Q4	FY2020 Q4	Change
Japan	74,751	71,859	(3.9)	4,891	5,330	438
East Asia	74,748	69,800	(6.6)	5,297	5,328	30
South Asia	16,379	13,785	(15.8)	2,135	2,160	25
North America and Europe	25,443	23,450	(7.8)	1,045	502	(542)
Subtotal	191,323	178,895	(6.5)	13,370	13,321	(48)
Adjustments	(10,091)	(9,321)	—	5	(32)	(37)
Total	181,232	169,573	(6.4)	13,375	13,288	(86)

Japan

Net sales amounted to ¥71,859 million (down 3.9% year on year). This result was due to cancellations and delays due to the COVID-19 pandemic, which led to fewer new installation and modernization projects. Operating income amounted to ¥5,330 million (up ¥438 million) due to solid performance of maintenance services in the Aftermarket business and our efforts to improve sales prices in the New Installations business.

East Asia

Net sales amounted to ¥69,800 million (down 6.6% year on year; down 4.3% after excluding the impact of foreign exchange). While new installations and aftermarket services were higher in Hong Kong, new installations and exports were lower in China, driving results down. Operating income amounted to ¥5,328 million (up ¥30 million). Despite a decrease in Taiwan due to delayed progress in large-scale new installation projects, we saw an increase in sales in Hong Kong, improved export profitability in Korea, and an increase in China.

South Asia

Net sales amounted to ¥13,785 million (down 15.8% year on year; down 12.6% after excluding the impact of foreign exchange). This result was mainly due to fewer new installations in Indonesia, Malaysia, and India. Operating income amounted to ¥2,160 million (up ¥25 million). Although we recorded increased SG&A expenses in Singapore and lower profitability on new installations in Indonesia and Malaysia, we saw higher profitability for new installations in India.

North America and Europe

Net sales amounted to ¥23,450 million (down 7.8% year on year; down 5.6% after excluding the impact of foreign exchange). Despite recording an increase in new installations and sales due to the new consolidation of a subsidiary in the U.K., the New Installations and Aftermarket businesses experienced a significant decrease in the U.S. Operating income amounted to ¥502 million (down ¥542 million) due to lower sales in the U.S.

(2) Explanation of Financial Position

Total assets as of the end of the consolidated fiscal year under review amounted to ¥205,196 million, an increase of ¥11,614 million compared with the end of the prior consolidated fiscal year. This result was mainly due to an increase in cash and deposits, an increase in goodwill related to a corporate acquisition in the U.K., and an increase in investment securities due to valuation differences. These increases were offset in part by a decrease in notes and accounts receivable-trade.

Total liabilities amounted to ¥79,931 million, an increase of ¥5,064 million compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in accrued income taxes, provision for losses on construction contracts, advances from customers. These increases were offset in part by decreases in electronically recorded obligations-operating and short-term debt.

Net assets amounted to ¥125,264 million, an increase of ¥6,550 million compared with the end of the prior consolidated fiscal year. This result was mainly due to an increase in net profit attributable to owners of parent.

In connection with the adoption of a Trust-Type Employee Shareholding Incentive Plan (E-Ship), the Company disposed of treasury stock through a third-party allotment on December 2, 2020. The Company recorded ¥929 million in treasury stock and ¥449 million in gain on disposal of treasury stock (other capital surplus). The December 11, 2020 cancellation of treasury stock in the amount of ¥5,518 million resulted in a negative balance in other capital surplus, recorded by writing down other retained earnings.

Our shareholders' equity ratio as of the end of the consolidated fiscal year under review was 54.8%, down 0.4 points compared to the end of the prior consolidated fiscal year. Net assets per share amounted to ¥1,385.45, up ¥66.86 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 ¥35,840 million, an increase of ¥7,658 million 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, 2021.

Cash Flows From Operating Activities

Net cash provided by operating activities amounted to ¥21,542 million, an increase of ¥10,464 million compared with the prior consolidated fiscal year. This result was mainly due to profit before income taxes of ¥15,025 million, depreciation and amortization of ¥3,457 million, and a decrease in notes and accounts receivable-trade of ¥2,691 million.

Cash Flows From Investing Activities

Net cash used in investing activities amounted to ¥7,955 million, an increase of ¥3,614 million compared with the prior consolidated fiscal year. This result was mainly due to a net increase in time deposits of ¥5,093 million, purchases of property, plant and equipment of ¥2,909 million, and ¥1,471 million stemming from purchase of shares of subsidiaries resulting in change in scope of consolidation. These amounts were offset in part by ¥1,508 million in proceeds from interest and dividends received.

Cash Flows From Financing Activities

Net cash used in financing activities amounted to ¥5,866 million, an increase of ¥2,065 million compared with the prior consolidated fiscal year. This result was mainly due to a net decrease of ¥1,669 million in short-term borrowings and cash dividends paid, etc.

(Reference) Changes in Cash Flow Indicators

	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2021
Shareholders' equity ratio (%)	53.5	55.0	55.7	55.2	54.8
Equity ratio based on market capitalization (%)	56.9	61.9	53.6	58.3	93.2
Ratio of interest-bearing debt to cash flow (annual)	0.4	0.4	0.4	0.4	0.2
Interest coverage ratio (times)	299.6	171.6	110.7	107.6	225.6

(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)

	For the year ending March 31, 2022	Year-on-Year Change (%)
Net sales	184,000	8.5
Operating income	13,900	4.6
Ordinary income	14,400	(1.6)
Profit attributable to owners of parent	9,300	0.1
Net income per share	114.68 yen	—

(Amounts less than one million yen are rounded down)

	Net sales		Operating income	
	For the year ending March 31, 2022	Year-on-Year Change (%)	For the year ending March 31, 2022	Change
Japan	75,000	4.4	5,400	69
East Asia	73,000	4.6	5,100	(228)
South Asia	17,000	23.3	2,200	39
North America and Europe	28,000	19.4	1,300	797
Subtotal	193,000	7.9	14,000	678
Adjustments	(9,000)	—	(100)	(67)
Total	184,000	8.5	13,900	611

Outlook for the Next Fiscal Year

The global economy over the next fiscal year is likely to continue to be affected by the worldwide spread of COVID-19. With government economic policies and the progress of vaccinations in many countries, however, we believe many economies will see advancements in recoveries. However, the situation will remain uncertain as the outbreak of mutated strains may cause infections to spread again in some regions.

The Fujitec Group remains committed to placing the highest priority on the safety and security of our employees and other affiliated persons. We will continue to take measures to prevent the spread of infections, including telecommuting. In our business, concerns remain about delays in the start of new installations and modernization work, as well as other issues, including pressure to lower maintenance fees. Nevertheless, we will strive to improve profitability through sales strategies that emphasize profitability and by reducing fixed costs.

While it is difficult to make a highly accurate forecast for the next fiscal year at this time, as a result of the above, and based on the assumption that trends in economic recoveries continue, we forecast net sales of ¥184,000 million (up 8.5% increase compared with the current fiscal year), operating income of ¥13,900 million (up 4.6%), ordinary income of ¥14,400 million (down 1.6%), and net income of ¥9,300 million (up 0.1%).

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 ¥105 average exchange rate for our full-year forecasts.

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

With respect to the appropriation of profits, we consider the enhancement of profit returns to shareholders to be the most important management issue we address. Our basic policy is to strive for 50% or greater in consolidated payout ratio, making allocations in consideration of a balance with internal reserves to stabilize our corporate foundation over the long term.

We intend to use internal reserves effectively to increase corporate value through capital investment in growth areas, financing for global business expansion, investments in research and development, etc. Further, we will consider acquiring treasury stock in a dynamic manner as a means of returning profits to shareholders.

As announced on February 9, 2021, we will pay a year-end dividend of ¥40 per share for the current fiscal year. As a result, the annual dividend will be ¥60 per share, including an interim dividend of ¥20 yen per share. As a result, our consolidated dividend payout ratio amounted to 52.4%.

We plan to pay a ¥25 per share interim dividend and a ¥35 per share year-end dividend for the next fiscal year, resulting in a ¥60 per share annual dividend.

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

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	57,024	68,348
Notes and accounts receivable-trade	61,626	59,022
Merchandise and finished goods	5,571	5,634
Work in process	5,457	6,278
Raw materials and supplies	8,291	7,333
Other	5,053	5,150
Allowance for doubtful accounts	(2,142)	(2,375)
Total current assets	140,884	149,393
Fixed assets		
Property, plant and equipment		
Buildings and structures	35,326	36,242
Accumulated depreciation	(15,567)	(16,615)
Buildings and structures, net	19,758	19,627
Machinery and equipment	12,127	12,828
Accumulated depreciation	(8,724)	(9,145)
Machinery and equipment, net	3,403	3,682
Tools, furniture and fixtures	7,766	8,244
Accumulated depreciation	(5,533)	(5,898)
Tools, furniture and fixtures, net	2,232	2,346
Land	6,909	6,911
Leased assets	974	982
Accumulated depreciation	(279)	(442)
Leased assets, net	694	539
Construction in progress	1,190	679
Total property, plant and equipment	34,188	33,786
Intangible assets		
Goodwill	115	1,214
Other	3,524	3,465
Total intangible assets	3,640	4,680
Investments and other assets		
Investments securities	7,172	8,772
Long-term loans receivable	1	23
Net defined benefit asset	—	790
Deferred tax assets	4,705	4,374
Other	3,102	3,489
Allowance for doubtful accounts	(112)	(113)
Total investments and other assets	14,868	17,336
Total fixed assets	52,697	55,803
Total assets	193,581	205,196

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,938	15,026
Electronically recorded obligations-operating	5,373	4,734
Short-term debt	3,990	2,317
Current portion of long-term debt	217	—
Accrued income taxes	2,178	3,425
Provision for bonuses	3,124	3,385
Provision for director bonuses	88	90
Provision for losses on construction contracts	5,206	7,761
Provision for warranties for completed construction	1,164	1,482
Other provision	—	40
Advances from customers	23,417	25,620
Other	10,383	10,268
Total current liabilities	70,083	74,152
Fixed liabilities		
Long-term debt	—	809
Deferred tax liabilities	55	87
Net defined benefit liability	4,076	4,150
Asset retirement obligations	23	23
Long-term accounts payable - other	180	179
Other	447	528
Total fixed liabilities	4,783	5,778
Total liabilities	74,866	79,931
Net assets		
Shareholders' equity		
Paid-in capital	12,533	12,533
Additional paid-in capital	14,571	14,474
Retained earnings	102,355	102,516
Treasury stock	(10,401)	(5,206)
Total Shareholders' equity	119,059	124,318
Accumulated other comprehensive income		
Net unrealized gains on securities	1,194	2,681
Deferred gains or losses on hedges	(16)	(27)
Foreign currency translation adjustments	(11,935)	(13,913)
Remeasurements of defined benefit plans	(1,387)	(641)
Total accumulated other comprehensive income	(12,145)	(11,901)
Stock acquisition rights	40	35
Non-controlling interests	11,760	12,812
Total net assets	118,714	125,264
Total liabilities and net assets	193,581	205,196

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

Consolidated Statements of Income

(Million yen)

	FY2020 Q4 April 1, 2019 - March 31, 2020	FY2021 Q4 April 1, 2020 - March 31, 2021
Net sales	181,232	169,573
Cost of sales	141,009	129,690
Gross profit	40,223	39,883
Selling, general and administrative expenses	26,847	26,594
Operating income	13,375	13,288
Other income		
Interest income	1,350	1,154
Dividend income	187	193
Rent income	148	126
Miscellaneous income	144	272
Total other income	1,831	1,746
Other expenses		
Interest expenses	173	150
Foreign exchange loss	138	138
Litigation expenses	80	—
Miscellaneous loss	131	112
Total other expenses	524	401
Ordinary income	14,682	14,633
Special gain		
Gain on sales of property, plant and equipment	190	13
Gain on sales of investment securities	126	242
Subsidy income	52	537
Total special gain	369	793
Special loss		
Loss on sales of property, plant and equipment	7	14
Loss on retirement of property, plant and equipment	90	24
Impairment loss	—	24
Loss on sales of investment securities	—	59
Loss on valuation of shares of subsidiaries and associates	439	265
Loss on valuation of investments in capital of subsidiaries and associates	21	12
Total special loss	558	401
Profit before income taxes	14,493	15,025
Income taxes expense	3,746	5,062
Deferred taxes expense	(759)	(690)
Total income taxes	2,987	4,372
Profit	11,505	10,652
Profit attributable to non-controlling interests	1,589	1,365
Profit attributable to owners of parent	9,916	9,287

Consolidated Statements of Comprehensive Income

(Million yen)

	FY2020 Q4 April 1, 2019 - March 31, 2020	FY2021 Q4 April 1, 2020 - March 31, 2021
Profit	11,505	10,652
Other comprehensive income		
Net unrealized gains on securities	(1,005)	1,486
Deferred gains or losses on hedges	(18)	(13)
Foreign currency translation adjustments	(1,254)	(1,868)
Remeasurements of defined benefit plans	(435)	745
Total other comprehensive income	(2,715)	350
Comprehensive income	8,790	11,003
Comprehensive income attributable to:		
Owners of parent	7,524	9,530
Non-controlling interests	1,266	1,472

(3) Consolidated Statements of Changes in Shareholders' Equity

Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Million 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	14,569	96,087	(10,631)	112,559
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Dividends from surplus			(3,648)		(3,648)
Changes in scope of consolidation					—
Profit attributable to owners of parent			9,916		9,916
Purchases of treasury stock				(0)	(0)
Disposal of treasury stock				230	230
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	1	6,268	229	6,499
Balance at the end of the current fiscal year	12,533	14,571	102,355	(10,401)	119,059

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains on 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	2,200	(0)	(11,000)	(951)	(9,752)	40	11,075	113,923
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								1
Dividends from surplus								(3,648)
Changes in scope of consolidation								—
Profit attributable to owners of parent								9,916
Purchases of treasury stock								(0)
Disposal of treasury stock								230
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	(1,005)	(15)	(935)	(435)	(2,392)	—	684	(1,708)
Total changes during the current fiscal year	(1,005)	(15)	(935)	(435)	(2,392)	—	684	4,791
Balance at the end of the current fiscal year	1,194	(16)	(11,935)	(1,387)	(12,145)	40	11,760	118,714

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million 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	14,571	102,355	(10,401)	119,059
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		(3)			(3)
Dividends from surplus			(4,054)		(4,054)
Changes in scope of consolidation		(93)			(93)
Profit attributable to owners of parent			9,287		9,287
Purchases of treasury stock				(930)	(930)
Disposal of treasury stock		449	(2)	607	1,054
Cancellation of treasury stock		(5,518)		5,518	—
Transfer from retained earnings to capital surplus		5,069	(5,069)		—
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	(97)	161	5,195	5,259
Balance at the end of the current fiscal year	12,533	14,474	102,516	(5,206)	124,318

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains on 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	1,194	(16)	(11,935)	(1,387)	(12,145)	40	11,760	118,714
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								(3)
Dividends from surplus								(4,054)
Changes in scope of consolidation								(93)
Profit attributable to owners of parent								9,287
Purchases of treasury stock								(930)
Disposal of treasury stock								1,054
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	1,486	(11)	(1,977)	745	243	(4)	1,052	1,290
Total changes during the current fiscal year	1,486	(11)	(1,977)	745	243	(4)	1,052	6,550
Balance at the end of the current fiscal year	2,681	(27)	(13,913)	(641)	(11,901)	35	12,812	125,264

(4) Consolidated Statements of Cash Flows

(Million yen)

	FY2020 Q4 April 1, 2019 - March 31, 2020	FY2021 Q4 April 1, 2020 - March 31, 2021
Cash flows from operating activities		
Profit before income taxes	14,493	15,025
Depreciation and amortization	3,131	3,457
Increase (decrease) in allowance for doubtful accounts	165	221
Increase (decrease) in provision for bonuses to employees	637	221
Increase (decrease) in provision for loss on construction contracts	521	2,659
Interest and dividend income	(1,538)	(1,347)
Interest expenses	173	150
Decrease (increase) in notes and accounts receivable-trade	(8,236)	2,691
Decrease (increase) in inventories	1,190	14
Increase (decrease) in notes and accounts payable-trade	(568)	(940)
Loss (gain) on sales of investment securities	(126)	(183)
Increase (decrease) in advances received	3,068	1,992
Loss (gain) on sales and retirement of property, plant and equipment	(92)	26
Increase (decrease) in net defined benefit liability	214	361
Other, net	1,458	1,013
Subtotal	14,491	25,365
Income taxes paid	(3,413)	(3,822)
Net cash provided by (used in) operating activities	11,078	21,542
Cash flows from investing activities		
Payments into time deposits	(16,040)	(22,535)
Proceeds from withdrawal of time deposits	13,396	17,442
Purchase of property, plant and equipment	(2,562)	(2,909)
Proceeds from sales of property, plant and equipment	210	24
Purchase of investment securities	(401)	(167)
Proceeds from sales of investment securities	419	600
Purchase of intangible assets	(207)	(190)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,471)
Collection of loans receivable	410	94
Interest and dividends received	1,383	1,508
Other, net	(948)	(351)
Net cash provided by (used in) investing activities	(4,341)	(7,955)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	726	(1,669)
Proceeds from long-term borrowings	—	930
Repayments of long-term borrowings	(253)	(332)
Purchase of treasury shares	(0)	(0)
Interest paid	(102)	(95)
Cash dividends paid	(3,647)	(4,053)
Dividends paid to non-controlling interests	(571)	(674)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(7)	(4)
Other, net	55	33
Net cash provided by (used in) financing activities	(3,800)	(5,866)
Effect of exchange rate change on cash and cash equivalents	(657)	(62)
Net increase (decrease) in cash and cash equivalents	2,278	7,658
Cash and cash equivalents at beginning year	25,902	28,181
Cash and cash equivalents at end of year	28,181	35,840

(5) Notes to the Consolidated Financial Statements

(Notes Regarding Assumptions of Going Concern)

Not applicable.

(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 treasury stock for the consolidated of the current fiscal year amounted to ¥810 million and 362,000 shares, respectively.

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

Consolidated of the current fiscal year: ¥809 million

(Segment 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 North America and Europe (the United States, Canada, 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) North America and Europe.

As a result of the acquisition of all outstanding shares of Amalgamated Lifts Limited through Fujitec UK LTD., a wholly owned subsidiary of Fujitec Co., Ltd., we included Amalgamated Lifts within the scope of consolidation under North America and Europe beginning in the current consolidated first quarter.

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, 2020 (April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	North America and Europe	Total		
Net sales							
Sales to external customers	72,583	66,867	16,379	25,402	181,232	—	181,232
Intersegment sales/transfers	2,168	7,881	0	40	10,091	(10,091)	—
Total	74,751	74,748	16,379	25,443	191,323	(10,091)	181,232
Segment income	4,891	5,297	2,135	1,045	13,370	5	13,375
Segment assets	87,064	94,606	20,908	13,984	216,563	(22,981)	193,581
Other items							
Depreciation and amortization	1,866	876	230	157	3,131	—	3,131
Amortization of goodwill	—	—	—	95	95	—	95
Increase in property, plant and equipment and intangible assets	2,392	468	456	209	3,526	—	3,526

Note 1 Adjustments are as follows:

(1) Segment income adjustments of ¥5 million include eliminations of intersegment transactions of -¥0 million and inventory adjustments of ¥5 million.

(2) Segment asset adjustments of -¥22,981 million include eliminations of intersegment transactions of -¥22,854 million and inventory adjustments of -¥126 million.

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

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	North America and Europe	Total		
Net sales							
Sales to external customers	69,452	62,908	13,781	23,431	169,573	—	169,573
Intersegment sales/transfers	2,407	6,892	3	18	9,321	(9,321)	—
Total	71,859	69,800	13,785	23,450	178,895	(9,321)	169,573
Segment income	5,330	5,328	2,160	502	13,321	(32)	13,288
Segment assets	92,106	100,840	21,905	16,000	230,853	(25,657)	205,196
Other items							
Depreciation and amortization	2,110	876	246	223	3,457	—	3,457
Amortization of goodwill	—	—	—	159	159	—	159
Impairment loss	24	—	—	—	24	—	24
Increase in property, plant and equipment and intangible assets	1,942	333	485	262	3,024	—	3,024

Note 1 Adjustments are as follows:

(1) Segment income (loss) adjustment of -¥32 million yen million is due to inventory adjustments.

(2) Segment asset adjustments of -¥25,657 million include eliminations of intersegment transactions of -¥25,503 million and inventory adjustments of -¥153 million.

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

(Per-Share Information)

Item	Fiscal Year Ended March 31, 2020 April 1, 2019 - March 31, 2020	Fiscal Year Ended March 31, 2021 April 1, 2020 - March 31, 2021
Net assets per share	1,318.59 yen	1,385.45 yen
Net income per share	122.46 yen	114.52 yen
Diluted net income per share	122.40 yen	114.46 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 for the previous consolidated fiscal year, treasury shares deducted for said calculation include Fujitec Co., Ltd. Stock (zero shares as of the end of the previous consolidated fiscal year) held as an employee stock ownership plan support trust (ESOP). The average number of Fujitec Co., Ltd. shares held in the trust during the previous consolidated fiscal year was 104,399 shares.

2 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 for the current consolidated fiscal year under review, treasury shares deducted for said calculation include Fujitec Co., Ltd. stock (362,000 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 during the current consolidated fiscal year under review was 127,670 shares.

3 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, 2020 April 1, 2019 - March 31, 2020	Fiscal Year Ended March 31, 2021 April 1, 2020 - March 31, 2021
Net income per share		
Profit attributable to owners of parent (Million yen)	9,916	9,287
Amounts not attributable to shareholders of common stock (Million yen)	—	—
Profit attributable to common stock owners of parent (Million yen)	9,916	9,287
Average number of outstanding shares of common stock (Thousand shares)	80,977	81,094
Diluted net income per share		
Adjustment of net income attributable to owners of parent (Million yen)	—	—
Increase in number of common stock (Thousand shares)	44	41
Outline of dilutive stock not included in calculation of diluted net income per share due to anti-dilutive effect	—	—

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

Item	As of March 31, 2020	As of March 31, 2021
Total net assets (Million yen)	118,714	125,264
Amount deducted from total net assets (Million yen)	11,800	12,847
(Stock acquisition rights included) (Million yen)	(40)	(35)
(Non-controlling interests included) (Million yen)	(11,760)	(12,812)
Net assets attributable to common stock at the end of the fiscal year (Million yen)	106,913	112,417
Number of common shares at the end of the fiscal year used to calculate net assets per share (Thousand shares)	81,081	81,140

(Significant subsequent events)

Not applicable.

4. Other**(1) Orders and Sales**

a. Orders

The table below shows orders and order backlog in Japan and overseas for the consolidated fiscal year ended March 31, 2021.

	Orders (Million yen)	YoY (%)	Order backlog (Million yen)	Vs. PY (%)
Japan	71,605	(1.0)	67,954	3.4
Overseas	103,042	(9.6)	143,069	0.7
Total	174,648	(6.3)	211,024	1.5

(Note) The above amounts do not include consumption tax.

(Major properties for which we received orders during the consolidated fiscal year ended March 31, 2021)

Location	Delivery Destination	Overview
Sichuan, China	Xi Rui Guang Hua Phase I	Installed 113 elevators for a residential building facility in Chengdu City
Guangdong, China	Shenzhen 2nd Children's Hospital	Installed 67 elevators/escalators for a hospital facility in Shenzhen City
Liaoning, China	Shenyang Metro Line 4 Phase I	Installed 67 escalators for subway station in Shenyang City
Taichung, Taiwan	(tentative) Mitsui Shopping Park LaLaport Taichung	Installed 72 elevators/escalators for a commercial facility street block in Taichung City
Taoyuan, Taiwan	Chunghwa Post mail processing center and postal training center	Installed 30 elevators/escalators for a public postal facility
Seoul, South Korea	Bank of Korea Gangnam Branch Office	Replaced 12 existing elevators at a regional headquarters building for the Central Bank
Lampung, Indonesia	Lampung Bay City	Installed 23 elevators/escalators for a commercial and residential facility complex in Bandar Lampung City
Kyoto, Japan	Hilton Garden Inn Kyoto Shijyo Karasuma	Installed 4 elevators under a new brand for hotels
Kitakyushu, Fukuoka Prefecture, Japan	(tentative) Yahata Higashida Project	Installed 8 elevators/escalators for a commercial facility on the site of the former Space World

b. Sales (net sales)

The table below shows sales performance (net sales) in Japan and overseas for the consolidated fiscal year ended March 31, 2021.

	Net sales (Million yen)	YoY (%)
Japan	69,420	(4.3)
Overseas	100,153	(7.9)
Total	169,573	(6.4)

(Note) The above amounts do not include consumption tax.

(Major projects completed during the consolidated fiscal year ended March 31, 2021)

Location	Delivery Destination	Overview
Henan, China	Xin Cai Ru Yi Huayuan	Completed 133 elevators for residential building facility in Zhumadian City
Guangxi Zhuang Autonomous, China	Nanning Normal University Wuming Area	Completed 32 elevators for a university building in Nanning City
Metropolitan Manila, Philippines	81 Newport Boulevard	Completed 24 elevators for condominiums in Pasay City
Hai Pong, Vietnam	AEON MALL Hai Phong Le Chan	Completed 53 elevators/escalators/autowalks for the sixth major AEON MALL commercial facility in Vietnam
New York, USA	Riverside Center	Completed 29 elevators for a commercial and residential facility complex in Manhattan
Buenos Aires, Argentina	200 Della Paolera	Completed 12 elevators for an office building in Catalinas
Tokyo, Japan	BUNKYO GARDEN	Completed 18 elevators/escalators for a 40-floor multi-use complex
Yokohama, Japan	Kanagawa University Minatomirai Campus	Completed 12 escalators for a new campus in the Minatomirai area
Osaka, Japan	W Osaka	Completed 10 elevators for a 27-floor luxury hotel facing Midosuji

(2) Change in Directors

[Change in representative]

Not applicable.

[Other change in officers] (June 22, 2021)

a. Candidates for new director appointment

Director Masashi Tsuchihata (currently senior executive operating officer of the Company)

Director Mami Indo (currently outside director, Tokyo Gas Co., Ltd.; outside Audit & Supervisory board member, Ajinomoto Co., Inc.; outside Audit & Supervisory Board member, AIG Japan Holdings KK)

(Note) Mami Indo is a candidate for outside director.

b. Scheduled director retirements

Director Yoshiichi Kato

Direct Terumichi Saeki