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December 22, 2021

To all parties concerned:

Company	Fujitec Co., Ltd. (Stock Code 6406)
Representative	Takakazu Uchiyama President and CEO
Contact:	Masashi Tsuchihata Director, Senior Executive Operating Officer, General Manager of Finance HQ (TEL 072-622-8151)

Fujitec announces New Mid-Term Management Plan “Vision 24”

Fujitec (TSE: 6406) today announced that we launch new Mid-Term Management Plan “Vision 24” (FY2022-FY2024).

For details, please refer to the attachment.

FUJITEC

Vision 24

Fujitec Medium-Term Management Plan
(FY2022 - 2024)

December 22, 2021

FUJITEC CO., LTD.



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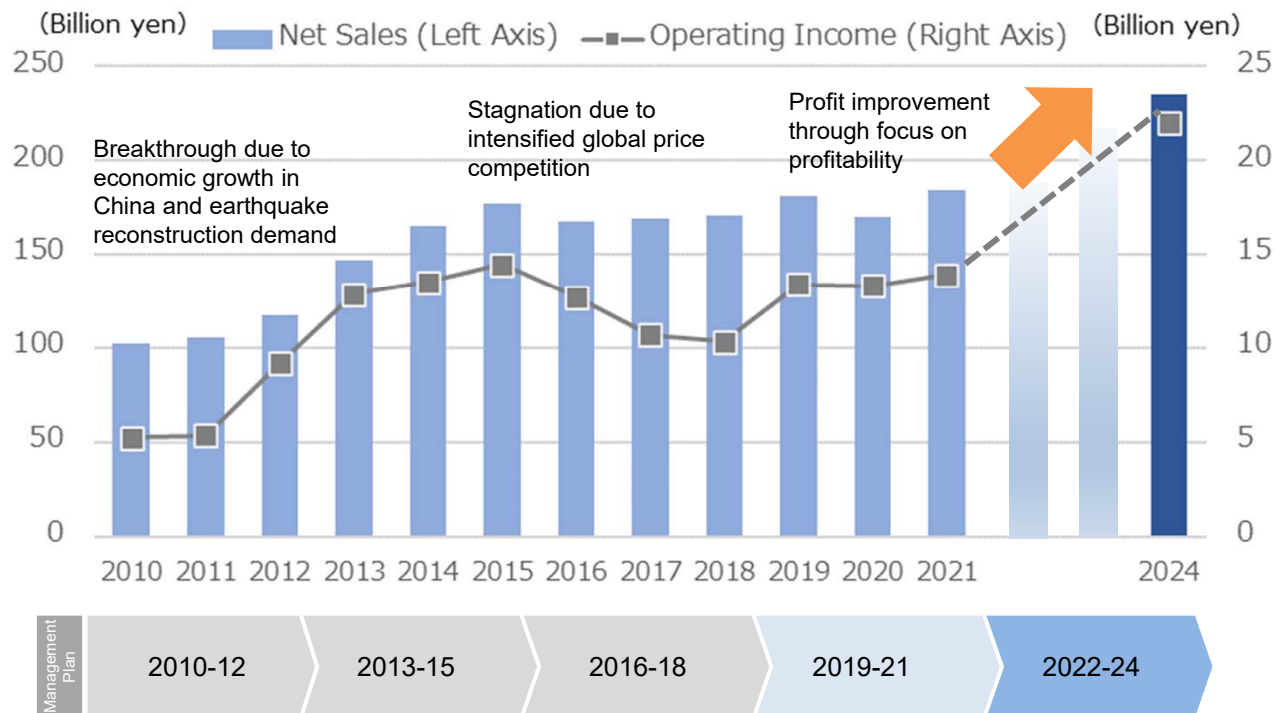
- 1. Vision 24 Framework**
2. Strategy and Execution Plans for Each Business
3. Capital Investment Plans and Policy
4. ESG Policy

Review of Past Financial Results and Medium-Term Management Plan



Steady progress in retiring treasury stock and strengthening governance as announced in our Strategic Direction

Net Sales and Operating Income



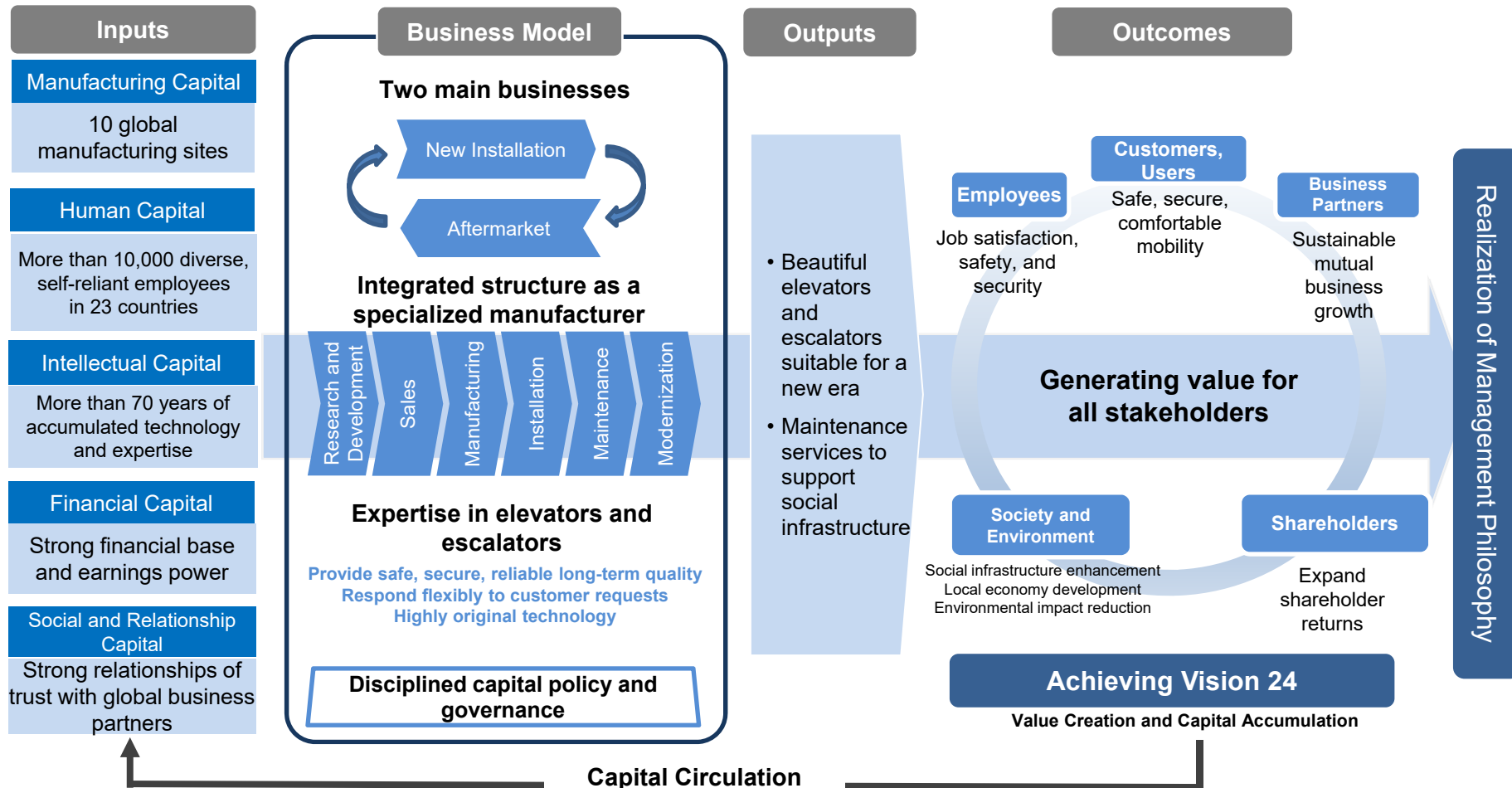
Global Megatrends Impacting the Business Environment



Developing a long-term strategy that takes into account projections for the rise of Asian economies, environmental regulations, and technological advancements

Politics <ul style="list-style-type: none">• Environmental regulations/emerging carbon tax• Renewable energy• Rising economic nationalism	Economy <ul style="list-style-type: none">• Power shift in the global economy (growth of China, India, and Indonesia)• Asian economic growth and shift to domestic demand• Trade friction and import/export restrictions
Society <ul style="list-style-type: none">• Advancing urbanization• Social Innovation through DX• Structural changes in the world population and diversification of needs (Rise of Asia and Africa, aging populations)	Technology <ul style="list-style-type: none">• Self-driving technology• AI/machine learning• Robotics

Value Creation Process



Management Philosophy and Vision 24



Setting our management vision, materialities, and Vision 24 based on our management philosophy



Vision 24 Action Guidelines



Accelerate market share expansion to provide value to all people

Sales Strategy

- Expand product lineup to cultivate new markets and customers

Product and Technology Strategy

- Develop and launch strategic models in close collaboration with each global base
- Pursue development of environment-friendly products

Manufacturing and Operations Strategy

- Promote cross location collaboration to achieve cost reduction in procurement and through the implementation of next generation technologies global base

Corporate Strategy

- Strengthen capital policy and governance structure
- Conduct strategic development of Group management structure

Targets for the Final Year of Vision 24 (Consolidated)



<p>*Net Sales ¥235 billion (+27.7% vs FY21 Forecast)</p>	<p>Operating Income ¥22 billion (+58.3% vs FY21 Forecast)</p>	<p>Operating Profit Margin 9.4% (+1.8 Points vs FY21 Forecast)</p>
<p>ROE 10.7% (+2.8 Points vs FY21 Forecast)</p>	<p>Strategic Investments ¥ 68 billion (Including ¥35 billion in M&A Investment Budget)</p>	<p>Dividend Payout Ratio 50% or more (Same Level as FY21 Forecast)</p>

*Net sales target represents organic growth excluding M&A activities

Outlook by Regional Segment



Aim to grow business and improve profit margins by implementing strategies tailored to each region

(Billion yen)	FY24 Plan			FY21 Forecast		
	Net sales	Operating income	Operating profit margin	Net sales	Operating income	Operating profit margin
Japan	86	7.8	9.1%	75	5.4	7.2%
East Asia	98	8.6	8.8%	73	5.1	7.0%
South Asia	25	3.1	12.4%	17	2.2	12.9%
The Americas and Europe	40	2.6	6.5%	28	1.3	4.6%
Subtotal	249	22.1	8.9%	193	14	7.3%
Eliminations	(14)	(0.1)	—	(9)	(0.1)	—
Total (Consolidated)	235	22	9.4%	184	13.9	7.6%

1. Vision 24 Framework
2. **Strategy and Execution Plans for Each Business**
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Domestic Business: Final Year Targets and Strategic Policies



Expand New Installations and Aftermarket Business through process innovation

Final FY Targets*

	FY2024	vs FY2021
Net sales	¥86 billion	+14.7%
Operating income	¥7.8 billion	+44.4%
Operating profit margin	9.1%	+1.9 points

*Before intersegment eliminations

Strategies

- 1 Expand new business and improve profitability by pursuing process innovation and cost reductions
- 2 Grow Aftermarket Business by expanding product and service lineups

Domestic Business: Major Initiatives



Accelerate cost reforms in products, sales, and procurement; expand market share

Strategies

Major Initiatives

1 Expand new business and improve profitability by pursuing process innovation and cost reductions

- Expand sales of new standard model *XIOR*
- Reduce costs through collaboration between locations for procurement, and the rationalization of designs for standard models

2 Grow Aftermarket Business by expanding product and service lineups

- Expand modernization products*
- Strengthen cross business cooperation to cultivate customers
- Pursue next-generation remote maintenance to ensure safety and security and further improve operational efficiencies

*Modernization products are products that combine standard replacement parts and existing parts (for reuse), to offer effective preventive maintenance for aging elevators and escalators.

Global Business: Final Year Targets and Strategies



Expand New Installation Business in growth markets and Aftermarket Business in mature markets

Final FY Targets*

	FY2024	vs FY2021
Net sales	¥163 billion	+38.1%
Operating income	¥14.3 billion	+66.3%
Operating profit margin	8.8%	+1.5 points

*Before intersegment eliminations

Strategies

- 1 Expand New Installations in Growth Markets by Active Investment
- 2 Expand Aftermarket Business in Mature Markets
- 3 Strengthen cost competitiveness

Global Business: Major Initiatives



Grow New Installations and Aftermarket Business in line with market needs, while implementing cost reforms

Strategies

Major Initiatives

1

Expand New Installations in Growth Markets by Active Investment

- Develop and expand sales of next-generation standard models
- Expand production capacity

2

Expand Aftermarket Business in mature markets

- Develop and expand sales of modernization products
- Improve contract rates by offering a variety of maintenance service options

3

Strengthen cost competitiveness

- Deepen cross location collaboration in procurement and the introduction of next generation technologies
- Leverage IT for business process reform

Global Business: Expand Business in Growth Markets **FUJITEC**

Develop and expand sales of next-generation standard models to increase market share in growth markets

China

Sales Strategy

Product and Technology Strategy

Manufacturing and Operations Strategy

- Leverage large-scale contract wins to raise brand recognition
- Leverage brand recognition to drive sales of standard models
- Secure further cost reductions in ZEXIA and REXIA standard models
- Pursue cost reductions by expanding the production items produced and the use of automation/IT



Shang Hai Jing An 72 Jie Fang Xin Jian Office, Commercial, Resident Project (Shanghai, China)

South Asia

Sales Strategy

Product and Technology Strategy

Manufacturing and Operations Strategy

- Expand sales coverage within India
- India plant to supply and sell to global markets
- Commercialize next-generation standard models and secure cost reductions
- Expand India plant to increase production capacity



India Plant and Research Tower (Chennai, India)

Global Business: Expand Business in Mature Markets **FUJITEC**

Develop and grow sales of modernization products in mature markets

North America
and Europe

Sales Strategy

- Promote modernization to expand the number of maintenance projects

Product and
Technology Strategy

- Expand lineup of modernization products

Manufacturing and
Operations Strategy

- Reduce costs by improving installation processes



Two Liberty Place
(Pennsylvania, USA)

East Asia
(Excluding China)

Sales Strategy

- Promote modernization to expand the number of maintenance projects

Product and
Technology Strategy

- Reduce cost of modernization products

Manufacturing and
Operations Strategy

- Reduce cost of procured components
- Strengthen the aftermarket business to increase profitability



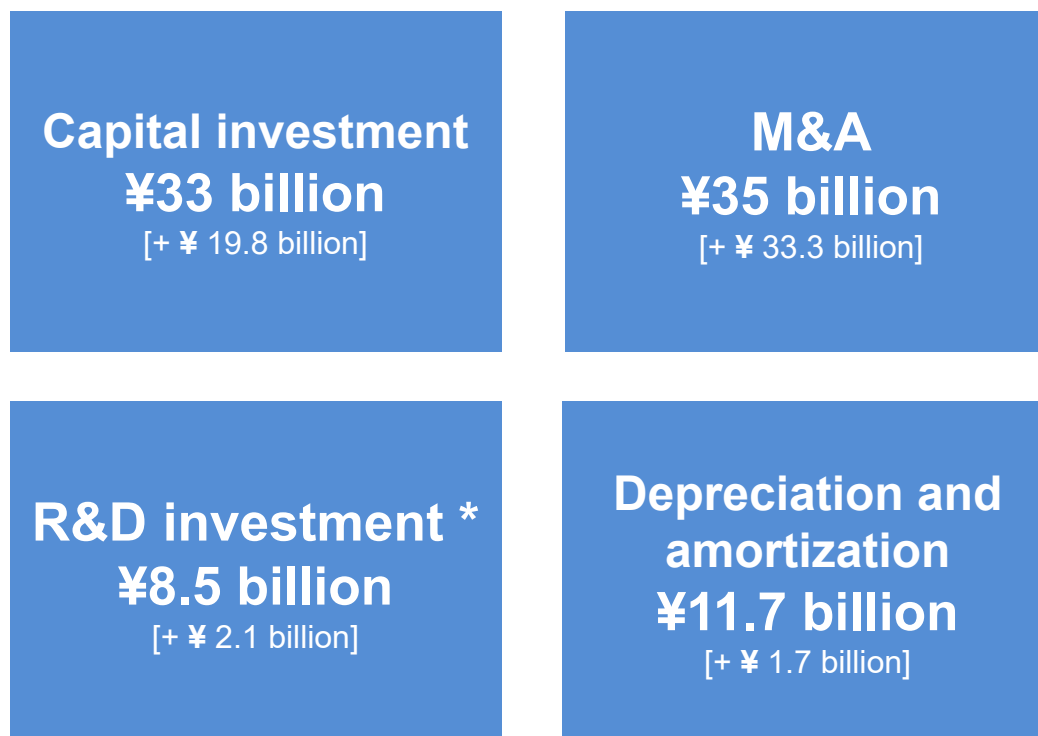
Three Garden Road
(Hong Kong)

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Investment Plan (FY2022-2024)



Plans for a significant increase in investment to support business expansion and promote sustainability



Figures in parentheses represent forecast differences compared with FY2019-21 plan
*R&D investment includes technologies for environment response related technologies

Basic Policy on Capital Management and Shareholder Returns



Strengthen cash flow, provide clear guidelines for shareholder returns, and engage in capital cost management

Maximize operating cash flow

- Expand sales by reinvesting appropriate cash flows
- Improve C/F margin by increasing profit margins and asset turnover

Exercise balance between investments for growth and shareholder returns

- Maintain a dividend payout ratio of 50% or more and increase dividends by improving EPS
- Retain cash necessary for reinvestment in growth and then provide shareholder returns
- Maintain treasury stock at an appropriate level

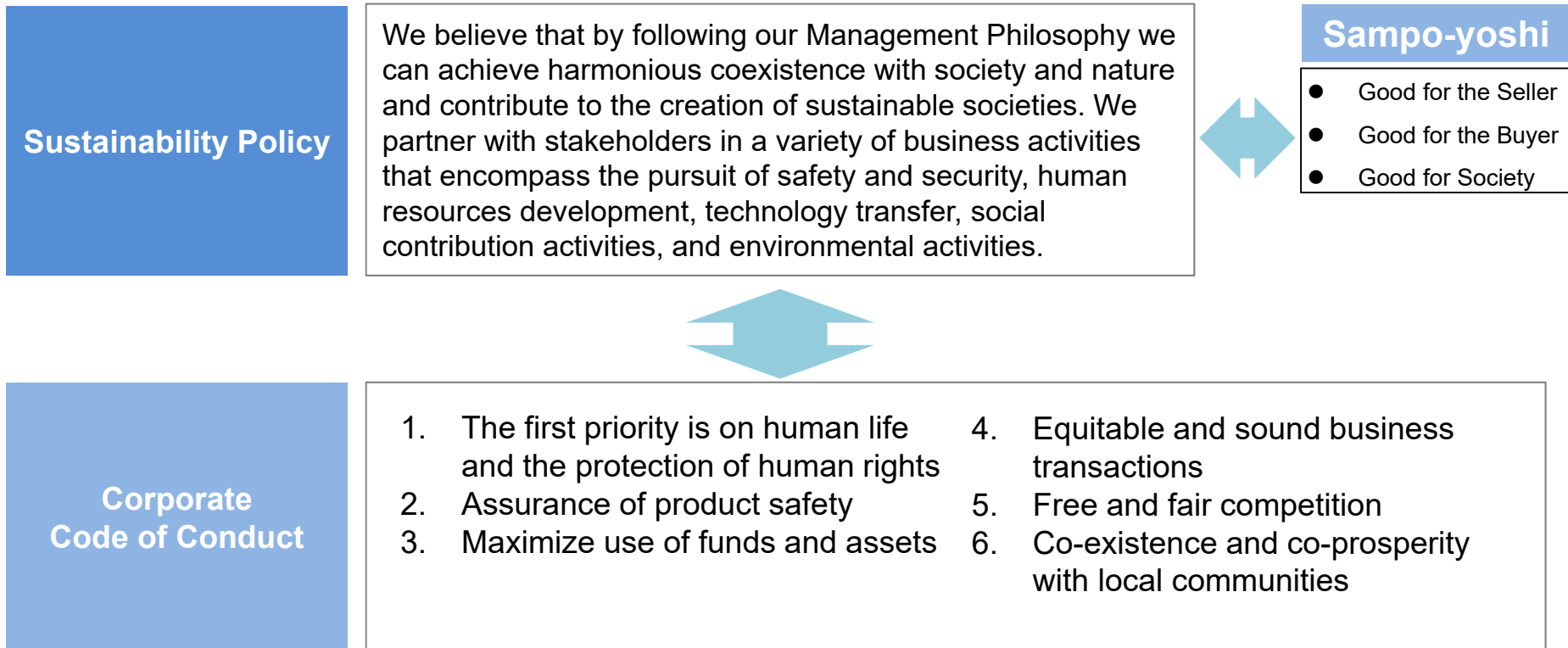
ROE target and cost of capital recognition

- ROE target of 10% or higher
- Cost of shareholders equity is 8%

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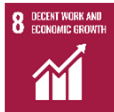











Sustainability Policy

Define sustainability policy based on our Corporate Code of Conduct and the spirit of *Sampo Yoshi* (good for everyone)



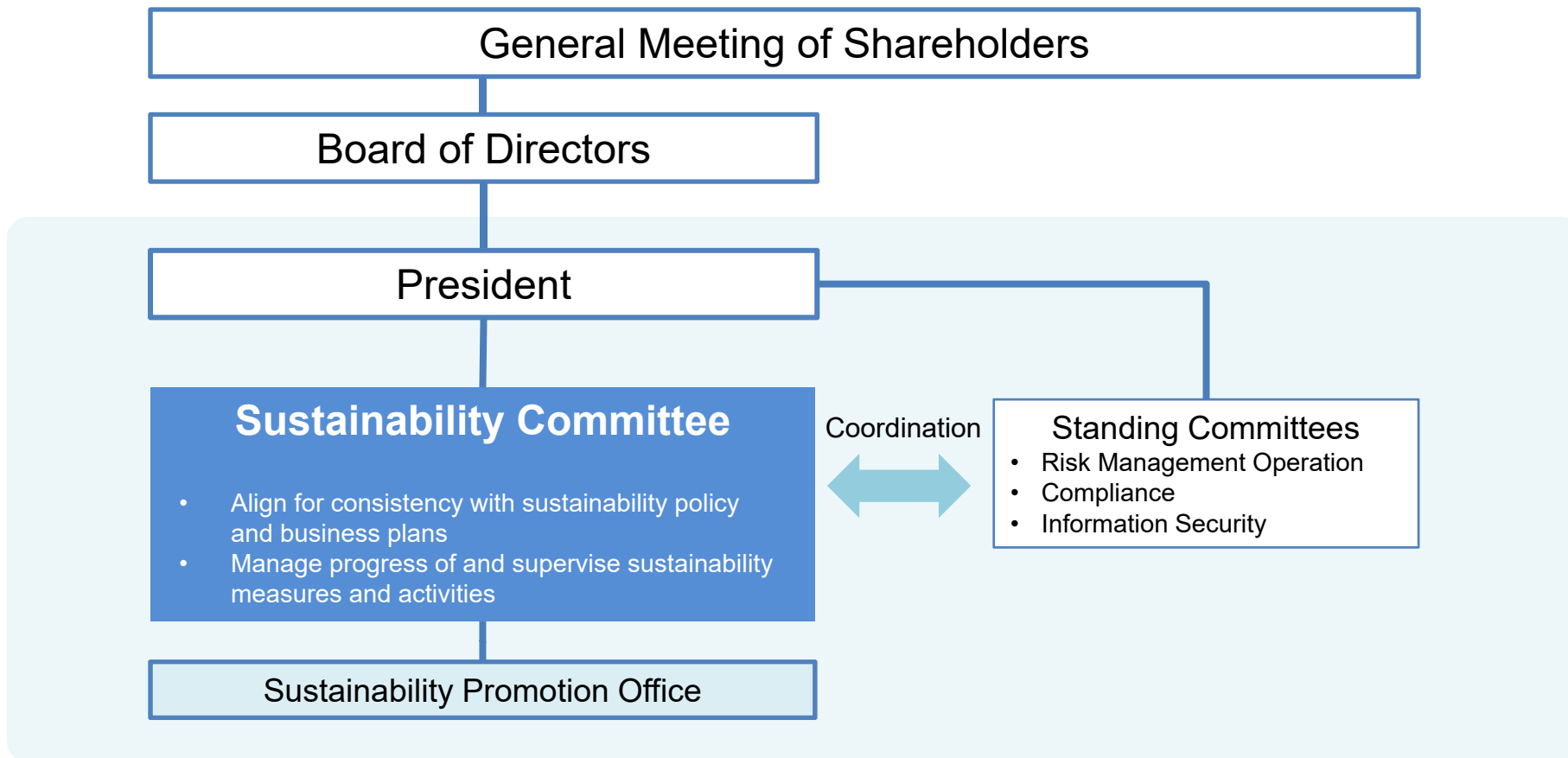
Materiality and Major Topics



Materialities	SDG goals	Major Topics
Pursuing safety and reliability	  	Safety and security for users
		Safety and security of products and services
		Safety and security of employees
Encourage diverse human resources	   	Respect basic human rights
		Foster a corporate culture that recognizes diverse values
		Nurture open-minded and energetic human resources
Improve technology and product capabilities	 	Offer beautiful urban functions
		Technological innovation for a new era
		Provide a robust social infrastructure
Efforts to reduce environmental impact	   	Contribute to a low-carbon society in response to climate change
		Strengthen our ability to conserve energy
		Implement product life cycle management
Coexist with society and local communities	  	Work in harmony with society
		Seek co-prosperity with local communities
Build a management infrastructure to support corporate value		Strengthen corporate governance
		Effective stakeholder communications
		Conduct risk management to preserve corporate value
		Rigorously enforce compliance

Sustainability Implementation Framework

We established the Sustainability Committee to address materialities



Policy on Strengthening ESG Information Disclosure and Governance



Enhance the disclosure of environmental measures and continue to strengthen governance systems

Policy for ESG information disclosure

- Establish KPIs and disclose information on materialities
- Conduct long-term scenario analysis and opportunity/risk disclosure in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)
- Survey the current scope of disclosure and establish a company-wide monitoring system
- Prepare and disclosure integrated reports

Strengthen governance structure further

- Abolish anti-takeover measures (June 2022)
- Increase diversity of outside directors, further revitalize the board of directors
- Deepen and diversify stakeholder communications
- Strengthen risk management structure

Human Resources Development Policy



Pursue diversity and global human resources development

Philosophy of Human Resource Management

At Fujitec, we gather people who are committed to personal improvement as members of society, enhancing their professional skills, deepening their knowledge as global citizens and are dynamic and open to new ideas. They are people that are committed to achieving personal goals as well as continuing to Fujitec's continued growth and success.

Human Resources Development Policy

- We cultivate human resources that can provide a platform for the next stage in our development, encouraging each individual employee to upskill and adopt a proactive and open-minded mindset.
- We are accelerating efforts to foster a sense of values and create an environment that recognizes diversity.

Develop human resources through responsible work experience and training programs

- Develop management personnel capable of working in global environments
- Cultivate engineers with high levels of expertise

Create an environment in which diverse human resources and work styles are the norm. Improve our organizational strengths through active communications.

- Conduct global human resource exchanges
- Hire and promote diverse human resources
- Offer flexible work styles not limited to time or place

FUJITEC