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November 8, 2022

Consolidated Business Results for the Second Quarter Ended September 30, 2022 (Japan GAAP)

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

Listed on TSE

Stock Code: 6406

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Expected date of filing of quarterly report: November 11, 2022

Expected starting date of dividend payment: December 1, 2022

Supplementary materials for the quarterly business results: Yes

Presentation of the quarterly business results: No

(Amounts less than one million yen are rounded down)

1. Consolidated business results for the second quarter ended September 30, 2022 (April 1, 2022 to September 30, 2022)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	93,221	7.6	4,810	(42.6)	6,503	(30.9)	4,596	(34.3)
September 30, 2021	86,622	13.4	8,374	66.1	9,407	67.6	6,993	103.4

(Note) Comprehensive income — September 30, 2022: 19,402 million yen [38.1%], September 30 2021: 14,051 million yen [405.3%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2022	57.61	57.58
September 30, 2021	86.14	86.10

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
September 30, 2022	244,295	151,553	55.0
March 31, 2022	220,609	140,482	56.9

(Reference) Shareholders' equity — September 30, 2022: 134,368 million yen, March 31, 2022: 125,482 million yen

2. Cash dividends

	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2022	—	25.00	—	45.00	70.00
For the year ending March 31, 2023	—	35.00			
March 31, 2023 (forecast)			—	40.00	75.00

(Note) Revision to the dividend forecasts from the latest announcement: No

Cash dividends for March 31, 2023 (forecast): Regular dividend:35.00 yen Commemorative dividend:5.00 yen

3. Forecasts of consolidated business performance for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(% change from the previous corresponding period)

	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
For the year ending March 31, 2023	207,000	10.7	10,500	(23.8)	12,300	(21.7)	7,000	(35.4)	88.41

(Note) Revision to the business performance forecasts from the latest announcement: Yes

4. Other

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries due to changes in the scope of consolidation): No

(2) Application of specific accounting procedures for quarterly financial statements: No

(3) 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

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock):	Six months ended September 30, 2022: 82,400,000 shares	Year ended March 31, 2022: 82,400,000 shares
2) Treasury stock at the end of period:	Six months ended September 30, 2022: 3,219,289 shares	Year ended March 31, 2022: 1,434,800 shares
3) Weighted average number of shares outstanding during the period:	Six months ended September 30, 2022: 79,783,386 shares	Six months ended September 30, 2021: 81,183,835 shares

(Note) Treasury stock as of the end of fiscal year ended March 31, 2022 and as of the six months ended September 30, 2022 includes shares of Fujitec Co., Ltd. stock held by the Trust-Type Employee Shareholding Incentive Plan (E-Ship).

Six months ended September 30, 2022: 120,500 shares, Year ended March 31, 2022: 197,500 shares

* 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 *Explanation of Consolidated Earnings Forecasts and Other Forecasts* on P.6 of *Consolidated Business Results for the Second Quarter (Accompanying Materials)*.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Operating Results

The global economy experienced a downturn during the first half of the current fiscal year due to lockdowns in China caused by the country's zero-COVID policy. In Japan, business confidence weakened mainly in the manufacturing sector. This weakening was due to the effects of the lockdowns in China, as well as soaring resource prices and the sharp depreciation of the yen, which drove up the cost of raw materials. In other countries, the economy generally picked up as the transition to the with-COVID-19 era progressed. However, the economic outlook has become increasingly uncertain due to the effects of ongoing inflation and related monetary policies in countries around the world, as well as lockdowns once again enforced in China.

In response to these circumstances, the Fujitec Group continues with measures against infectious diseases, and we are implementing our three-year medium-term management plan *Vision24*, which we began in fiscal 2022. Under our sales strategy, we expanded sales in the domestic market through an enhanced product lineup to meet the needs of the new normal, including our *AirTap* line. We set up the Osaka Metropolitan Office to serve as the central location for our business in the Kinki area. In the global market, we implemented region-specific sales strategies tailored to the characteristics of each area. Under our product and technology strategy, we developed and introduced strategic models that match the maturity level of the market in each country. We delivered an elevator with the largest capacity in Japan to a large building complex, and we developed a new anti-earthquake function for high-rise buildings that shortens the downtime of elevators in the event of an earthquake. Under our production and operations strategy, we reduced production costs through global procurement. In addition, a new dedicated organization has improved installation efficiency dramatically in the field through installation process reforms. Further, we reduced installation costs by developing innovative installation methods and by improving installation skills. 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. In terms of capital policy, we repurchased company shares to improve capital efficiency. We continued our ESG-related work by improving the effectiveness and transparency of the board of directors to strengthen governance. We developed a sustainability promotion system, including TCFD-compliant information disclosures and registering our products for the European market under the environmental product declaration framework, to contribute to the creation of sustainable societies.

As a result, the Fujitec Group recorded business performance for the six months ended September 30, 2022 as described below.

(Amounts less than one million yen are rounded down)

	FY2021 Q2 (April 1 - September 30, 2021)	FY2022 Q2 (April 1 - September 30, 2022)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Orders				
Japan	42,121	41,803	(0.8)	—
East Asia	36,750	34,700	(5.6)	(15.8)
South Asia	10,415	11,684	12.2	2.2
The Americas and Europe	12,448	19,041	53.0	38.3
Subtotal	101,735	107,230	5.4	—
Adjustments	(5,002)	(6,432)	—	—
Total	96,733	100,798	4.2	—
Order backlog				
Japan	75,664	80,062	5.8	—
East Asia	96,186	109,770	14.1	1.3
South Asia	21,126	23,588	11.7	1.7
The Americas and Europe	32,618	39,852	22.2	10.2
Subtotal	225,595	253,273	12.3	—
Adjustments	(2,691)	(5,170)	—	—
Total	222,903	248,103	11.3	—

Domestic orders for new installations decreased, partly due to a reactionary decline from the large project orders received in the same cumulative period of the previous year. However, orders for our mainstay standard models remained steady.

Modernization projects, which involve the replacement of existing elevators and escalators, increased year on year owing to an expansion in our product lineup. The expanded lineup includes a *New Lifestyle Package* and a *control board replacement package* which are compatible with our touchless button technology (*AirTap*). Our maintenance business, which provides maintenance for elevators and escalators, as well as ongoing experienced strong performance for the quarter. At the same time, new installation orders remained firm for mainstay standard models; however, we saw a reactionary decline due to large project orders received in the same period of the previous fiscal year. As a result, new installation orders decreased overall.

In terms of overseas orders, new installation orders increased in Taiwan and South Korea in our East Asia region, mainly due to orders for large projects. New installation orders decreased in China and Hong Kong. In South Asia, new installations and modernization projects decreased in Singapore, while new installations increased in India. Orders in the Americas and Europe rose year on year. We saw an increase for new installations in the U.S. and an increase for new installations and modernization projects in the U.K.

(Amounts less than one million yen are rounded down)

	FY2021 Q2 (April 1 - September 30, 2021)	FY2022 Q2 (April 1 - September 30, 2022)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Net sales	86,622	93,221	7.6	—
Japan	33,534	33,392	(0.4)	—
Overseas	53,088	59,829	12.7	1.1
Operating income	8,374	4,810	(42.6)	—
Ordinary income	9,407	6,503	(30.9)	—
Profit attributable to owners of parent	6,993	4,596	(34.3)	—
Net income per share	86.14 yen	57.61 yen	—	—

We recorded higher sales and lower operating income year on year for the cumulative consolidated second quarter. Although net sales increased in South Asia and in the Americas and Europe, operating income decreased in Japan, East Asia, and the Americas and Europe. Ordinary income and profit before income taxes were lower, despite an increase in foreign exchange gains due to the rapidly weakening yen.

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 same period of the previous year is also listed under the segment name after the change.

(Amounts less than one million yen are rounded down)

	Net sales				Operating income (loss)			
	FY2021 Q2	FY2022 Q2	Change (%)	Real change, after excluding the impact of foreign exchange (%)	FY2021 Q2	FY2022 Q2	Change	Real change, after excluding the impact of foreign exchange
Japan	34,940	34,579	(1.0)	—	2,858	(136)	(2,994)	—
East Asia	36,048	35,990	(0.2)	(11.2)	3,516	2,019	(1,497)	(1,710)
South Asia	7,966	10,595	33.0	21.0	1,372	2,353	980	762
The Americas and Europe	12,764	17,309	35.6	22.5	707	635	(71)	(133)
Subtotal	91,720	98,475	7.4	—	8,455	4,872	(3,582)	—
Adjustments	(5,097)	(5,253)	—	—	(80)	(61)	19	—
Total	86,622	93,221	7.6	—	8,374	4,810	(3,563)	—

Japan

Both sales and profits decreased year on year. Net sales decreased due to the impact of delays in construction progress in the first quarter for new installations and modernization projects, caused by the stagnation in parts procurement in connection with the lockdowns in Shanghai. We posted an operating loss due to lower profitability in new installations caused by higher raw materials costs and lower profit from fewer modernization project sales.

East Asia

Both sales and profits decreased year on year. Net sales for new installations in Hong Kong and Korea increased, while new installations decreased in China due to a decline in the number of units shipped in response to the lockdowns and slowing construction at work sites. Sales in Hong Kong decreased in the Aftermarket Business. Operating income was affected by lower profitability in China stemming from lower sales of new installations and soaring raw materials and logistics costs. Lower sales in the Aftermarket Business in Hong Kong also impacted performance.

South Asia

Both sales and profits increased year on year. Net sales decreased for new installations in Indonesia and Malaysia. In contrast, new installations rose in Singapore and India, while Aftermarket Business performance increased in Singapore. Operating income decreased in India due to a decrease in new installations stemming from soaring raw materials prices and other factors. However, operations in Singapore and Indonesia contributed to operating income due to decrease in provision for losses on construction contracts related to new installations (Singapore) and improved profitability for new installations (Indonesia).

The Americas and Europe

Sales increased and profits decreased year on year. Net sales increased in the U.S. due to an increase in new installations and Aftermarket Business. Sales also benefited from the addition of Fujitec Argentina S.A. in the consolidation. Operating income decreased due to the impact of higher raw materials prices for new installations in Canada and other factors. On the positive side, modernization project profitability in the U.S. improved.

(2) Explanation of Financial Position

a. Financial Position

Total assets as of the end of the cumulative consolidated second quarter amounted to 244,295 million yen, an increase of 23,685 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in cash and deposits, notes and accounts receivable-trade, and contract assets, and raw materials and supplies and other inventories.

Total liabilities amounted to 92,741 million yen, an increase of 12,614 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in notes and accounts payable-trade, short-term debt, and advances from customers.

Net assets amounted to 151,553 million yen, an increase of 11,071 million yen compared with the end of the prior consolidated fiscal year. This was mainly due to purchases of treasury stock of 5,061 million yen and cash dividends paid of 3,652 million yen, against 4,596 million yen in profit attributable to owners of parent, an increase of 1,470 million yen in connection with a change in scope of consolidation, an increase of 11,382 million yen in foreign currency translation adjustments, and an increase of 2,184 million yen in non-controlling interests. Our shareholders' equity ratio as of September 30, 2022, was 55.0%, down 1.9 points compared to the end of the prior consolidated fiscal year. Net assets per share amounted to 1,696.99 yen, up 147.16 yen compared with the end of the prior consolidated fiscal year.

b. Cash Flows

Cash and equivalents as of the end of the consolidated second quarter amounted to 43,671 million yen, an increase of 4,628 million yen compared with the end of the prior consolidated fiscal year.

The following describes cash flows from each source and change factors for the six months ended September 30, 2022.

Cash Flows From Operating Activities

Net cash provided by operating activities amounted to 4,037 million yen, a decrease of 2,440 million yen compared with the

year-ago period. This result was mainly due to profit before income taxes of 6,472 million yen, an increase in advances received of 3,780 million yen, and other factors, against an increase in inventories of 4,998 million yen.

Cash Flows From Investing Activities

Net cash provided by investing activities amounted to 2,200 million yen, an increase of 2,490 million yen compared to the year-ago period. This result was mainly due to a net decrease in time deposits of 4,048 million yen against purchases of property, plant and equipment of 1,944 million yen.

Cash Flows From Financing Activities

Net cash used in financing activities amounted to 7,532 million yen, an increase of 4,453 million yen compared with the year-ago period. This result was mainly due to an increase of 5,061 million yen in purchases of treasury shares, payments of dividends, etc.

(3) Explanation of Consolidated Earnings Forecasts and Other Forecasts

We have made revisions to the consolidated earnings forecasts for fiscal 2022 (April 1, 2022 - March 31, 2023) as announced on May 13, 2022.

For more details, see *Notice Concerning Revisions to Earnings Forecasts*, published today, November 8, 2022.

Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)
(Amounts less than one million yen are rounded down)

	Previous forecast (A)	Revised forecast (B)	Change (%)
Net sales	200,000	207,000	3.5
Operating income	14,700	10,500	(28.6)
Ordinary income	15,600	12,300	(21.2)
Profit attributable to owners of parent	10,200	7,000	(31.4)
Net income per share	125.98 yen	88.41yen	—

(Amounts less than one million yen are rounded down)

	Net sales			Operating income		
	Previous forecast (A)	Revised forecast (B)	Change (%)	Previous forecast (A)	Revised forecast (B)	Change (B-A)
Japan	78,000	77,000	(1.3)	6,300	2,200	(4,100)
East Asia	85,000	83,000	(2.4)	4,600	3,700	(900)
South Asia	19,000	23,000	21.1	2,400	3,100	700
The Americas and Europe	31,000	37,000	19.4	1,500	1,600	100
Subtotal	213,000	220,000	3.3	14,800	10,600	(4,200)
Adjustments	(13,000)	(13,000)	—	(100)	(100)	—
Total	200,000	207,000	3.5	14,700	10,500	(4,200)

Reasons for revisions

We expect net sales to increase by 7.0 billion yen compared with our previous forecast to 207.0 billion yen. This revision is due to an increase in new installations in Singapore and India in South Asia, as well as an increase in the U.S. due to the weakening currency value of the yen.

In terms of profit and loss, we expect a decrease in profit in Japan due to higher costs caused by the sharp weakening of the yen and soaring raw materials prices. In East Asia, we expect profit to decrease due to lower profitability of new

installations, mainly in China, affected by soaring raw materials prices. As a result, we revised our forecasts for operating income, ordinary income, and net income attributable to owners of parent to 10.5 billion yen, 12.3 billion yen, and 7.0 billion yen, respectively.

(Note) 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.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	76,956	83,342
Notes and accounts receivable-trade, and contract assets	66,123	73,742
Merchandise and finished goods	3,812	5,466
Work in process	2,281	3,715
Raw materials and supplies	9,004	12,874
Other	8,213	9,245
Allowance for doubtful accounts	(3,119)	(3,462)
Total current assets	163,273	184,924
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	19,108	19,391
Machinery and equipment, net	3,864	4,891
Tools, furniture and fixtures, net	2,434	2,564
Land	6,849	6,878
Leased assets, net	640	587
Construction in progress	2,386	2,629
Total property, plant and equipment	35,283	36,942
Intangible assets		
Goodwill	1,227	1,257
Other	3,609	3,911
Total intangible assets	4,837	5,169
Investments and other assets		
Investments securities	8,356	7,791
Long-term loans receivable	26	30
Other	8,960	9,572
Allowance for doubtful accounts	(127)	(134)
Total investments and other assets	17,215	17,259
Total fixed assets	57,335	59,370
Total assets	220,609	244,295

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,637	21,337
Electronically recorded obligations-operating	3,149	3,533
Short-term debt	3,493	5,611
Accrued income taxes	2,035	1,928
Provision for bonuses	3,288	3,056
Provision for losses on construction contracts	10,169	9,579
Other provision	2,147	2,284
Advances from customers	22,428	29,178
Other	11,342	11,052
Total current liabilities	74,691	87,563
Non-current liabilities		
Long-term debt	381	150
Net defined benefit liability	4,272	4,211
Other	781	816
Total non-current liabilities	5,435	5,178
Total liabilities	80,126	92,741
Net assets		
Shareholders' equity		
Paid-in capital	12,533	12,533
Additional paid-in capital	14,474	14,482
Retained earnings	104,649	107,064
Treasury stock	(2,267)	(7,138)
Total Shareholders' equity	129,391	126,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,475	2,215
Deferred gains or losses on hedges	17	(3)
Foreign currency translation adjustments	(5,794)	5,587
Remeasurements of defined benefit plans	(607)	(373)
Total accumulated other comprehensive income	(3,908)	7,426
Stock acquisition rights	35	35
Non-controlling interests	14,964	17,149
Total net assets	140,482	151,553
Total liabilities and net assets	220,609	244,295

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Quarterly Consolidated Statements of Income****For the six months ended September 30, 2021 and September 30, 2022**

(Millions of yen)

	FY2021 Q2 April 1 - September 30, 2021	FY2022 Q2 April 1 - September 30, 2022
Net sales	86,622	93,221
Cost of sales	64,610	74,013
Gross profit	22,011	19,208
Selling, general and administrative expenses	13,637	14,397
Operating income	8,374	4,810
Other income		
Interest income	418	425
Dividend income	282	130
Foreign exchange gains	76	1,045
Other	421	258
Total other income	1,199	1,859
Other expenses		
Interest expenses	47	74
Provision of allowance for doubtful accounts	62	19
Other	55	72
Total other expenses	165	166
Ordinary income	9,407	6,503
Special gain		
Gain on sales of property, plant and equipment	13	11
Gain on sales of investment securities	103	10
Subsidy income	360	—
Total special gain	477	21
Special loss		
Loss on sales and retirement of property, plant and equipment	25	8
Impairment loss	5	43
Loss on sales of investment securities	—	0
Loss on valuation of investment securities	—	0
Loss on valuation of investments in capital of subsidiaries and associates	22	—
Loss related to infectious diseases	41	—
Total special loss	94	53
Profit before income taxes	9,790	6,472
Income taxes expense	2,230	1,194
Deferred taxes expense	(148)	187
Total income taxes	2,081	1,381
Profit	7,708	5,090
Profit attributable to non-controlling interests	715	494
Profit attributable to owners of parent	6,993	4,596

Quarterly Consolidated Statements of Comprehensive Income**For the six months ended September 30, 2021 and September 30, 2022**

(Millions of yen)

	FY2021 Q2 April 1 - September 30, 2021	FY2022 Q2 April 1 - September 30, 2022
Profit	7,708	5,090
Other comprehensive income		
Valuation difference on available-for-sale securities	40	(259)
Deferred gains or losses on hedges	46	(25)
Foreign currency translation adjustments	6,132	14,362
Remeasurements of defined benefit plans	123	234
Total other comprehensive income	6,342	14,311
Comprehensive income	14,051	19,402
Comprehensive income attributable to:		
Owners of parent	12,199	17,074
Non-controlling interests	1,851	2,327

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021 Q2 April 1 - September 30, 2021	FY2022 Q2 April 1 - September 30, 2022
Cash flows from operating activities		
Profit before income taxes	9,790	6,472
Depreciation and amortization	1,583	1,727
Increase (decrease) in allowance for doubtful accounts	371	36
Interest and dividend income	(700)	(556)
Increase (decrease) in provision for bonuses to employees	(467)	(398)
Increase (decrease) in provision for loss on construction contracts	(159)	(1,355)
Decrease (increase) in notes and accounts receivable-trade	2,981	(434)
Decrease (increase) in inventories	(4,213)	(4,998)
Increase (decrease) in notes and accounts payable-trade	(555)	2,436
Loss (gain) on sales of investment securities	(103)	(10)
Increase (decrease) in advances received	2,359	3,780
Loss (gain) on sales and retirement of property, plant and equipment	12	(3)
Increase (decrease) in net defined benefit liability	382	318
Other, net	(1,292)	(1,402)
Subtotal	9,988	5,612
Income taxes paid	(3,510)	(1,575)
Net cash provided by (used in) operating activities	6,478	4,037
Cash flows from investing activities		
Payments into time deposits	(8,032)	(9,067)
Proceeds from withdrawal of time deposits	8,223	13,116
Purchase of property, plant and equipment	(1,449)	(1,944)
Proceeds from sales of property, plant and equipment	383	22
Purchase of investment securities	(1)	(1)
Proceeds from sales of investment securities	124	46
Interest and dividends received	691	537
Other, net	(228)	(507)
Net cash provided by (used in) investing activities	(289)	2,200
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	613	1,657
Repayments of long-term borrowings	(224)	(230)
Purchase of treasury shares	(0)	(5,061)
Interest paid	(33)	(53)
Cash dividends paid	(3,244)	(3,643)
Dividends paid to non-controlling interests	(246)	(277)
Other, net	57	77
Net cash provided by (used in) financing activities	(3,078)	(7,532)
Effect of exchange rate change on cash and cash equivalents	2,411	5,713
Net increase (decrease) in cash and cash equivalents	5,520	4,419
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 the period	41,360	43,671

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes Regarding Assumptions of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

The Company repurchased 1,869,900 shares of treasury stock for 5,061 million yen during the six months ended September 30, 2022. These purchases were based on a written resolution of the board of directors on March 1, 2022. As a result of this acquisition and other factors, treasury stock amounted to 7,138 million yen at the end of the second quarter of the current fiscal year.

(Segment and Other Information)

I Six months ended September 30, 2021

1. Information on operating revenue and profit (loss) of each reportable segment

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount to quarterly consolidated statements of income (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	33,549	32,354	7,966	12,752	86,622	—	86,622
Intersegment sales/transfers	1,391	3,693	—	12	5,097	(5,097)	—
Total	34,940	36,048	7,966	12,764	91,720	(5,097)	86,622
Segment income	2,858	3,516	1,372	707	8,455	(80)	8,374

Notes 1. Segment income adjustments of (80) million yen include eliminations of intersegment transactions of 0 million yen and inventory adjustments of (81) million yen.

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

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

There were no significant events or changes.

II Six months ended September 30, 2022

1. Information on operating revenue and profit (loss) of each reportable segment

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount to quarterly consolidated statements of income (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	33,412	31,921	10,593	17,294	93,221	—	93,221
Intersegment sales/transfers	1,166	4,068	2	15	5,253	(5,253)	—
Total	34,579	35,990	10,595	17,309	98,475	(5,253)	93,221
Segment income (loss)	(136)	2,019	2,353	635	4,872	(61)	4,810

Notes 1. Segment income (loss) adjustments of (61) million yen include eliminations of intersegment transactions of 6 million yen and inventory adjustments of (67) million yen.

2. Segment income (loss) has been adjusted to operating income on the quarterly consolidated statements of income.

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

There were no significant events or changes.

3. Matters Related to Changes in Reportable Segments, Etc.

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 same period of the previous year is also listed under the segment name after the change.