



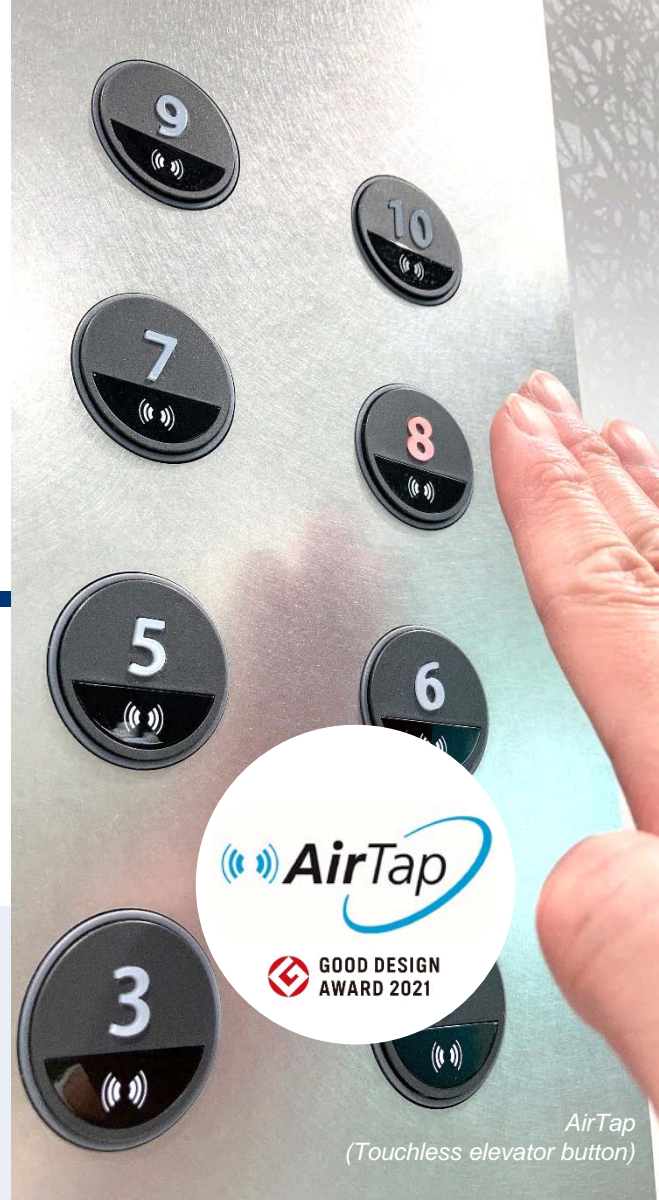
# Financial Results Presentation for the Year Ended March 31, 2022 (FY2021)

May 13, 2022

FUJITEC CO., LTD.

(TSE Prime Section: 6406)

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



*AirTap  
(Touchless elevator button)*

## FY2021 Earnings Overview

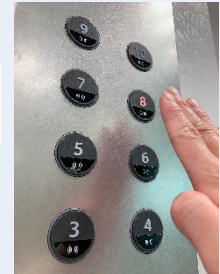
- Both sales and income increased from the previous fiscal year. Net sales increased 10.3% to 187,018 million yen, operating income increased 3.7% to 13,777 million yen. Sales, ordinary and net income all reached record highs.
- Orders received totaled 195,527 million yen (up 12.0%).
- Sales increased in all segments. Both our new installation and aftermarket businesses performed well in Japan and overseas.

## Consolidated Earnings Forecast for FY2022

- Fujitec forecasts net sales of 200,000 million yen (+6.9%) and operating income of 14,700 million yen (+6.7%). Both are record highs.
- We anticipate year-on-year sales increases in all segments. While operating income is expected to grow significantly in Japan, South Asia, the Americas and Europe due to gains in the aftermarket business and improved profitability, earnings in East Asia are likely to be impacted by soaring raw material prices.
- Fujitec plans to invest a total of 7,400 million yen (+3,400 million yen YoY) in line with our "Vision24" mid-term management plan.
- Fujitec forecasts an annual dividend for the current fiscal year of 75 yen per share. We forecast a dividend payout ratio of 59.5%.
- In the area of corporate governance, Fujitec aims to improve the effectiveness and transparency of our Board of Directors, promoting diversity by increasing the number of outside directors, and appointing an outside director as Chairman of the Board.

## Highlights

- AirTap, our Touchless control buttons for elevators aligned to the needs of the new normal, won the Japan Good Design Award 2021.



- Fujitec completed the expansion of our India Plant, expanding production capacity in South Asia markets



# Earnings Overview for FY2021

# Earnings Highlights

- Sales and profit rose. Net sales, ordinary and net income all reached record highs.
- Soaring raw materials costs had a slight negative impact on the operating margin.

(Million yen)

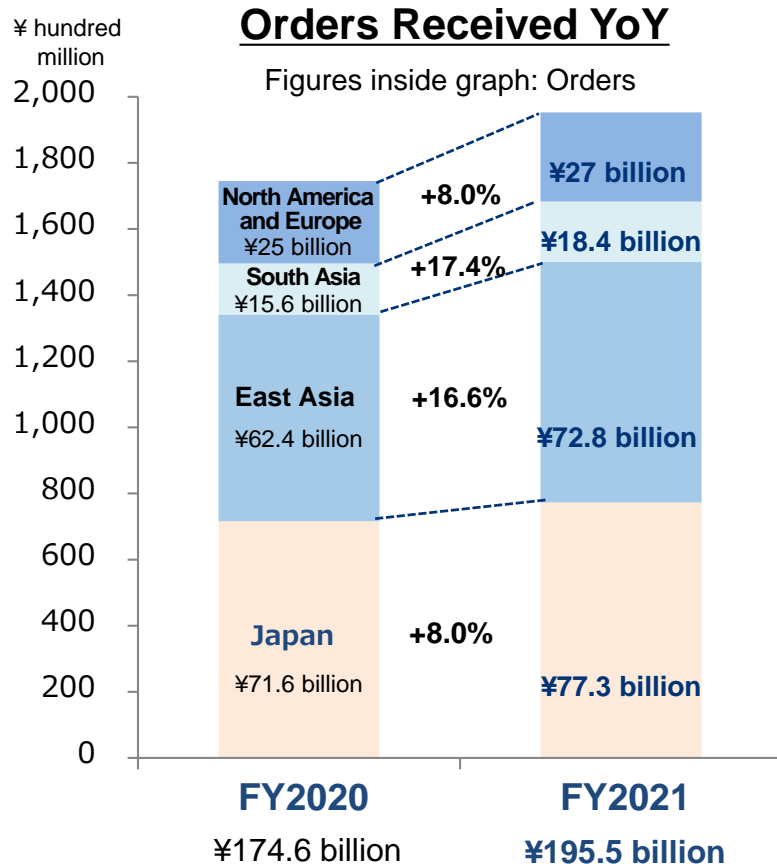
	FY2020	FY2021	Change (%)
<b>Net sales</b>	169,573	187,018	10.3
<b>Operating income</b>	13,288	13,777	3.7
<b>Operating margin</b>	7.8%	7.4%	—
<b>Ordinary income</b>	14,633	15,713	7.4
<b>Profit attributable to owners of parent</b>	9,287	10,835	16.7
<b>Net income per share</b>	114.52 yen	133.42 yen	—
<b>ROE</b>	8.5%	9.1%	—

U.S. dollar-yen exchange rate

106.94 Yen

109.41 yen

- Orders received rose 12% versus the previous fiscal year. Our new installation and aftermarket businesses both performed strongly in Japan and overseas.



## Japan orders: ¥77,337 million (up 8.0% YoY)

- New installation business
  - Continued to win orders for large projects, with gains for office and commercial buildings
- Aftermarket business
  - Secured new orders for major modernization projects
  - Our maintenance business performed well with high contract rates

## Overseas orders: ¥118,190 million (+14.7% YoY)

- New installation business
  - In East Asia, gained in China, Hong Kong, and Taiwan
  - In South Asia, increased in India, and decreased in Singapore and Indonesia
  - In North America and Europe, higher orders in Canada and the United Kingdom, lower in the United States
- Aftermarket business
  - Increase in Singapore
  - Increase in modernization projects and repairs in the United States and Canada

# Earnings by Segment

- Net sales rose in all segments. Results reflected gains in our New Installation and modernizations and repair businesses as well as robust demand for maintenance business. Exports to China grew.
- Higher sales in our aftermarket business in Japan, North America and Europe contributed to operating income. Surging raw materials costs in East Asia and a provision for losses on large-scale projects in South Asia had a negative impact.

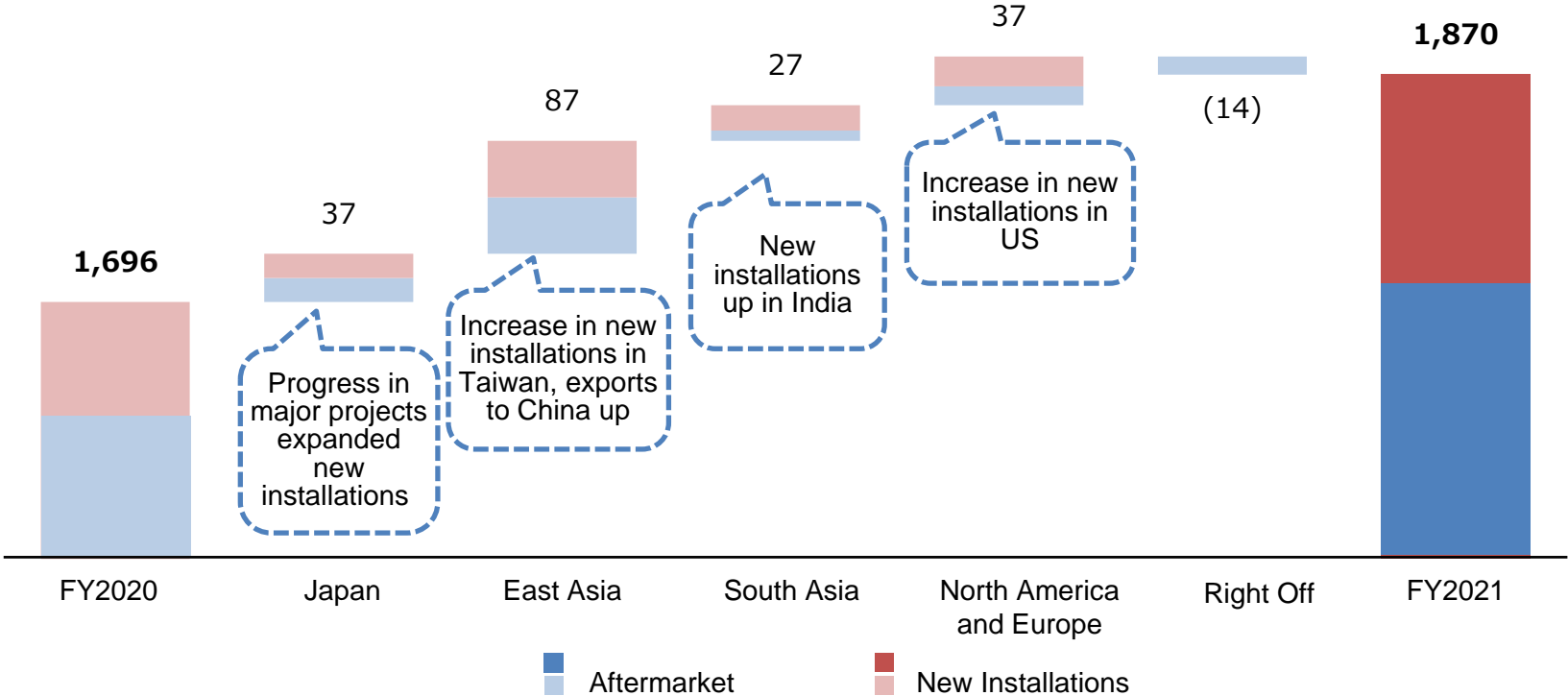
(Million yen)

	Net sales			Operating income		
	FY2020	FY2021	Change (%)	FY2020	FY2021	Change
Japan	71,859	<b>75,556</b>	5.1	5,330	<b>5,440</b>	110
East Asia	69,800	<b>78,463</b>	12.4	5,328	<b>5,165</b>	(163)
South Asia	13,785	<b>16,522</b>	19.9	2,160	<b>2,053</b>	(106)
North America and Europe	23,450	<b>27,186</b>	15.9	502	<b>1,128</b>	626
Subtotal	178,895	<b>197,729</b>	10.5	13,321	<b>13,788</b>	466
Adjustments	(9,321)	<b>(10,711)</b>	—	(32)	<b>(10)</b>	22
Total	169,573	<b>187,018</b>	10.3	13,288	<b>13,777</b>	488

# Breakdown of Net Sales

- Growth across all segments. Firm sales in new installation and aftermarket businesses.

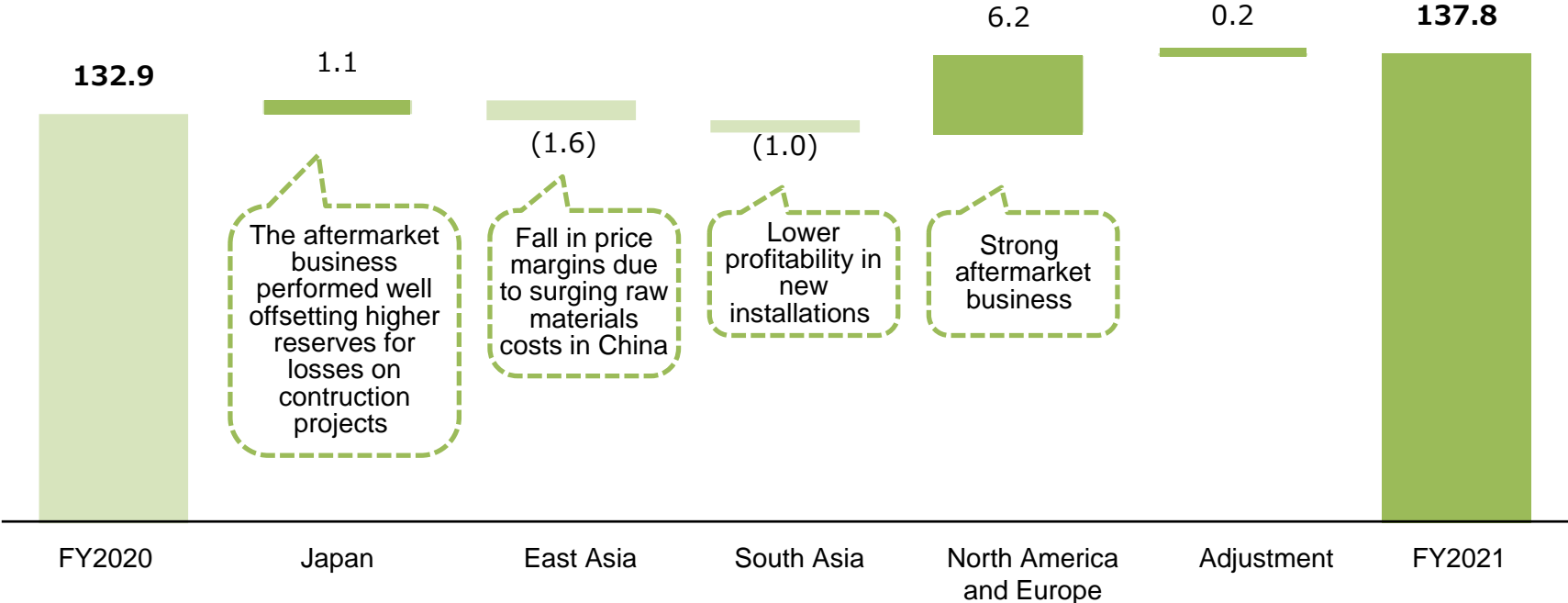
(Unit:100 million yen )



# Breakdown of Operating Income

- Profit rose in Japan, North America and Europe, driven by aftermarket business. The profitability of new installation business in East and South Asia declined, impacted by rising costs fueled by surging raw materials prices.

(Unit:100 million yen )





## Toranomon/Azabudai project



©DBOX for Mori Building Co.

Number	Total of 110 (71 elevators and 39 escalators)
--------	---

Usage	Office, Hotel, Residence, Commercial and others
-------	---

## Shibuya Station Sakuragaoka Area Type 1 Urban Redevelopment Project



Number	Total of 102 (48 elevators and 54 escalators)
--------	---

Usage	Office, Retail, Residence and Parking etc.
-------	--

## Adapted to the new normal : AirTap Wins Good Design Award

- AirTap, our touchless control buttons for elevators, won the Japan Good Design Award 2021. The award commended AirTap as offering a solution that combines technology and good design to give elevator riders a greater sense of security in the new normal. More than 90% of new installations now feature AirTap.
- Fujitec's EverFresh escalator handrail sterilization device means riders can hold on to handrails with peace of mind. This feature has found favor with customers who emphasize hygiene as well as safety.



AirTap

## Expand Business in Growth Markets: Complete Expansion of India Plant

- Expanding in South Asia markets where demand is growing, Fujitec has been expanding our plant in India. Late last year, we completed construction of a second plant and elevator research tower. Fujitec is planning to launch operations at these facilities in FY2022.



India plant

## Focus on Aftermarket Business: Launch Sales of New Renewal Packages

- Fujitec launched sales of new packaged products for elevator renewals tailored to standard specifications. By overhauling the production process, Fujitec is able to reduce the lead time by 40% and pursue cost savings.
- Fujitec developed a new product package that splits escalator modernization projects into three parts. This approach reduces downtime and delivers benefits in terms of safety and environmental performance.

## Increase Profitability: Pursue Efficiency Gains Through IT and Robotics

- Increase productivity through the introduction of a design simulator that determines design and technical specifications. Automate production and distribution sites with assembly robots and automated guided vehicles. Greater RPA (robotic process automation) will enable more than 7,000 hours of automated operations per year.



Design Simulator

# **Consolidated Earnings Forecast for FY2022**

# Consolidated Earnings Forecast

- Fujitec targets net sales of ¥200 billion and operating income of ¥14.7 billion. Both targets represent record highs.

(Million yen)

	FY2021 results	FY2022	Change (%)
<b>Net sales</b>	187,018	<b>200,000</b>	6.9
<b>Operating income</b>	13,777	<b>14,700</b>	6.7
<b>Operating margin</b>	7.4%	<b>7.4%</b>	—
<b>Ordinary income</b>	15,713	<b>15,600</b>	(0.7)
<b>Profit attributable to owners of parent</b>	10,835	<b>10,200</b>	(5.9)
<b>Net income per share</b>	133.42 yen	<b>125.98 yen</b>	—
<b>ROE</b>	9.1%	<b>8.3%</b>	—

U.S. dollar-yen exchange rate

109.41 Yen

115.00 yen

# Consolidated Earnings Forecast by Segment

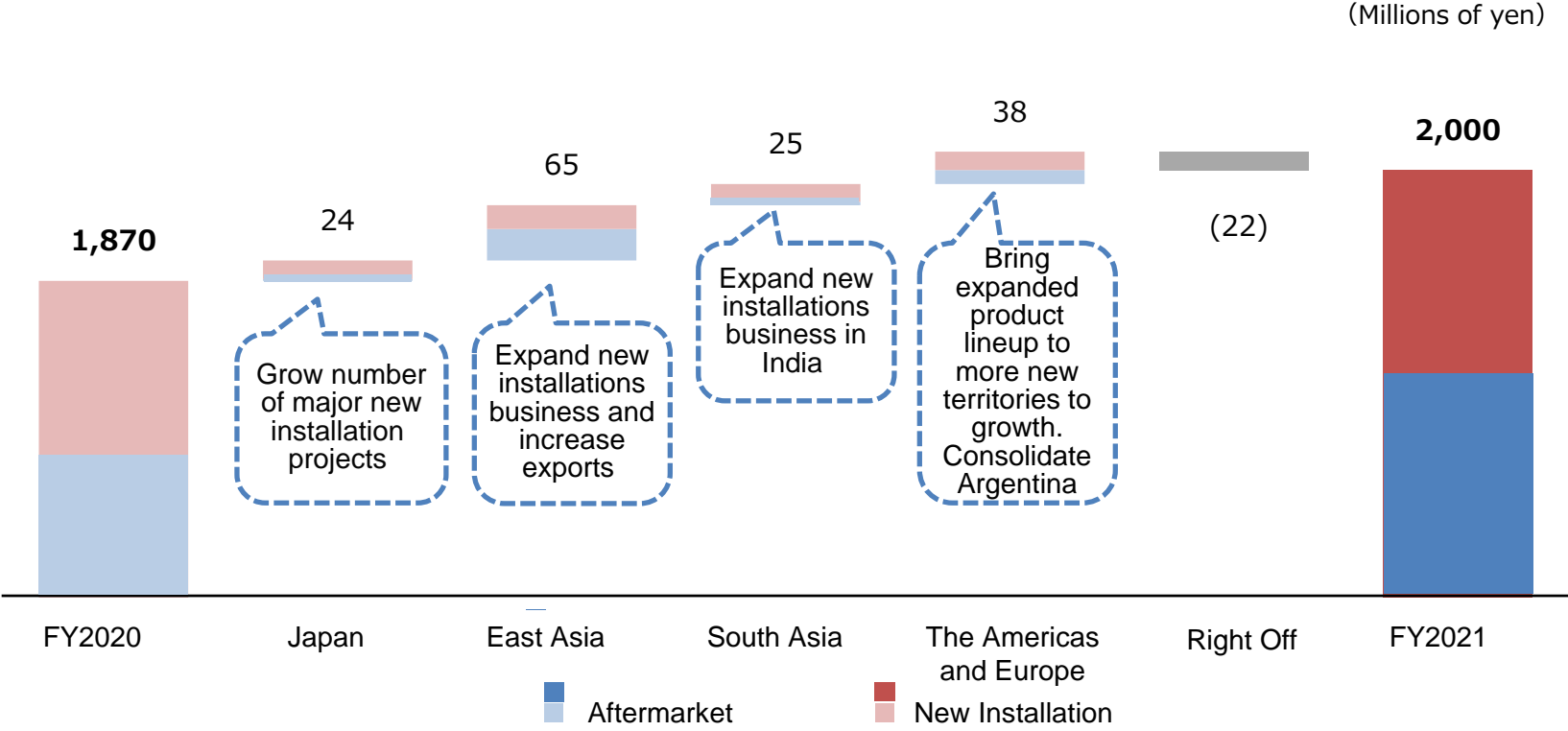
- Forecasts sales increases and record highs in all segments.
- We see significant increases in operating income in Japan, South Asia, Americas & Europe, driven by gains in our Aftermarket business and improved profitability and expect our East Asia operations to be impacted by surging raw materials costs.

(Million yen)

	Net sales			Operating income		
	FY2021	FY2022	Change (%)	FY2021	FY2022	Change
Japan	75,556	<b>78,000</b>	3.2	5,440	<b>6,300</b>	859
East Asia	78,463	<b>85,000</b>	8.3	5,165	<b>4,600</b>	(565)
South Asia	16,522	<b>19,000</b>	15.0	2,053	<b>2,400</b>	346
Americas and Europe	27,186	<b>31,000</b>	14.0	1,128	<b>1,500</b>	371
Subtotal	197,729	<b>213,000</b>	7.7	13,788	<b>14,800</b>	1,011
Adjustments	(10,711)	<b>(13,000)</b>	-	(10)	<b>(100)</b>	(89)
Total	187,018	<b>200,000</b>	6.9	13,777	<b>14,700</b>	922

# Breakdown of Net Sales Target

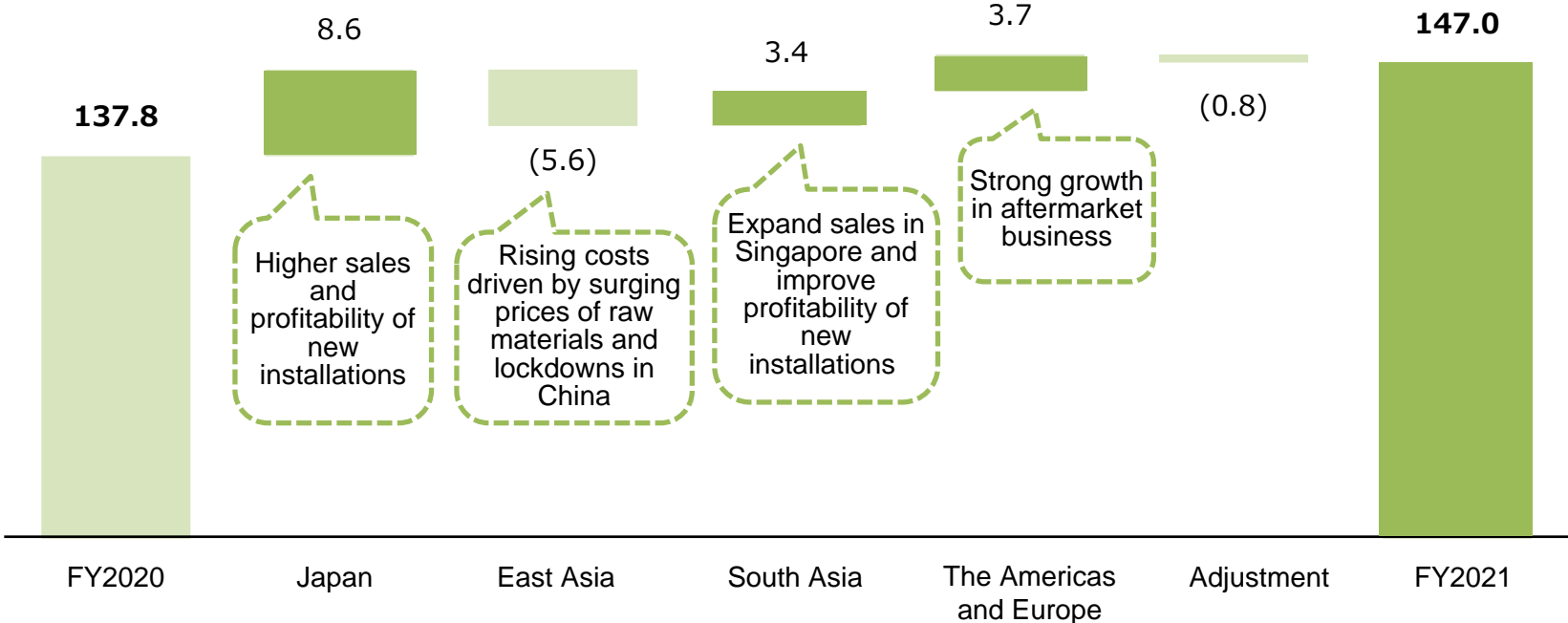
- Tailor business strategies and growth plans to each market segment, targeting record-high sales of 200 billion yen



# Breakdown of Operating Income Target

- Targeted record-high operating income. Expanded sales and improved profitability in the aftermarket business to offset the higher costs associated with business expansion.

(Millions of yen)



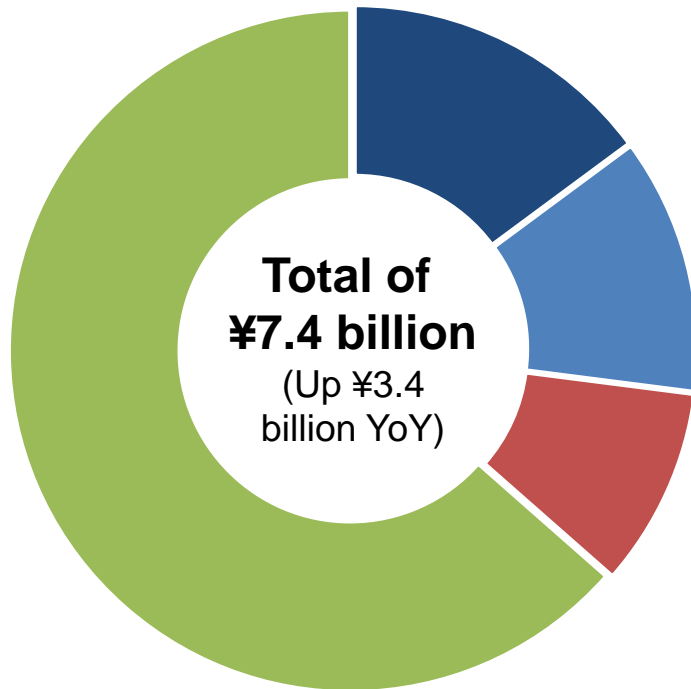
Japan		<ul style="list-style-type: none"><li>• Increase sales by securing large projects and grow market share by expanding sales of new standard model <i>XIOR</i> elevator and escalators</li><li>• Increase modernization business sales with a wider selection of equipment and modules</li><li>• Grow maintenance business by increasing new installation and modernization sales</li></ul>
East Asia	Overall	<ul style="list-style-type: none"><li>• Increase competitiveness by cutting costs and enhancing functionality of standard models</li></ul>
	China	<ul style="list-style-type: none"><li>• Strengthen direct sales for large projects and bolster sales network by cultivating new distributors</li></ul>
South Asia	Overall	<ul style="list-style-type: none"><li>• Become more competitive by reducing standard model costs</li><li>• Leverage greater production capacity from the launch of operations at new facilities in India to expand exports to other markets in this region</li></ul>
	India	<ul style="list-style-type: none"><li>• Roll out new standard models and expand sales network</li></ul>
Americas and Europe	Overall	<ul style="list-style-type: none"><li>• Strengthen sales operations</li></ul>
	United States	<ul style="list-style-type: none"><li>• Expand sales of modernization projects and bolster maintenance business</li></ul>



# Operating Income Growth Initiatives

Japan		<ul style="list-style-type: none"><li>• Enhance profitability by expanding modernization project sales</li><li>• Pursue cost savings by promoting the global procurement and standardization of machine components</li></ul>
East Asia	Overall	<ul style="list-style-type: none"><li>• Step up measures to address surging raw materials and logistics costs</li></ul>
	China	<ul style="list-style-type: none"><li>• Promote cost reductions by changing designs and suppliers</li><li>• Align operations more closely to customer needs to grow new installation sales</li></ul>
South Asia	India	<ul style="list-style-type: none"><li>• Further expand new installation sales</li><li>• Launch production at new facilities to achieve cost savings</li></ul>
Americas and Europe	Overall	<ul style="list-style-type: none"><li>• Strengthen aftermarket business</li></ul>
	United States	<ul style="list-style-type: none"><li>• Increase profitability by expanding aftermarket business</li></ul>

- In line with our Vision 24 strategies, Fujitec plans to raise capital expenditure by ¥3.4 billion YoY, to ¥7.4 billion
- We estimate depreciation of ¥3.8 billion, up ¥0.5 billion



## Business Growth: ¥1.1 billion

- Expand India Plant production, with a second facility going on line
- Set up business facilities in East Asia: installation and distribution facilities

## Profitability improvement: ¥0.9 billion

- Deploy more IT, expand use of remote monitoring equipment

## Promote ESG: ¥0.7 billion

- Strengthen disaster prevention measures by enhancing security at plants and R&D facilities

## Equipment and facilities upgrades: ¥4.7 billion

- Upgrade existing production and other facilities, machinery, and plant equipment

- **Maintain cash management approach that balances shareholder returns and investments**

## Dividend plans

- Planning to pay ¥5 yen dividend per share to commemorate Fujitec's 75<sup>th</sup> anniversary.  
Targeting ¥75 dividend per share in FY2022, continuing to exceed 50% payout ratio, at 59.5%

	FY2020	FY2021	FY2022 (forecast)
<b>Dividends</b>	¥60	¥70	¥75
<b>Interim</b>	¥20	¥25	¥35
<b>Year-end</b>	¥40	¥45	¥40
<b>Payout ratio</b>	52.4%	52.5%	59.5%

Planned FY2022 year-end dividend per share would comprise ¥35 regular payment plus ¥5 commemorative dividend

## Share buybacks

- Continue with ongoing share buybacks (up to 3,500,000 shares, 10 billion yen) in line with our March 1, 2022 announcement
- In fiscal 2023, we plan to use 50% of fiscal 2022 operating cash flow excluding dividends for share buybacks.

- **Planning to implement measures below in FY2022 to enhance Board of Directors effectiveness and transparency under Vision 24, a mid-term plan to drive growth and profitability**

Increase number of outside directors and seek members with diverse backgrounds to reinforce board structure

- Adding one independent director, so 10-member board now has six independent directors\*
- Enhancing member proficiency in legal affairs, business administration, and other fields on board with directors from diverse backgrounds

Exploring board with outside chairperson structure

- We will look into appointing an outside director to chair the Board of Directors to strengthen oversight of that entity

\*Subject to approval at 75<sup>th</sup> Annual Meeting of Shareholders in June 2022

## **Reference Materials**

# Cash Flows

(Million yen)

	FY2020	FY2021	Change
Cash and cash equivalents at beginning of year	28,181	<b>35,840</b>	7,658
Net cash provided by (used in) operating activities	21,542	<b>9,846</b>	(11,696)
Net cash provided by (used in) investing activities	(7,955)	<b>(3,994)</b>	3,961
Free cash flow	13,586	<b>5,852</b>	(7,734)
Net cash provided by (used in) financing activities	(5,866)	<b>(6,520)</b>	(654)
Cash and cash equivalents at end of year	35,840	<b>39,042</b>	3,202

# Consolidated Balance Sheet as of March 31, 2022 **FUJITEC**

(Million yen)

	March 31, 2021	March 31, 2022	Change	Comments
<b>Current assets</b>	149,393	163,273	13,880	
<b>Cash and deposits</b>	68,348	76,956	8,608	Increases in East and South Asia
<b>Notes and accounts receivable-trade and contract assets*</b>	59,022	66,123	7,100	Increase in East Asia
<b>Inventories</b>	19,247	15,099	(4,147)	
<b>Other</b>	5,150	8,213	3,062	
<b>Allowance for doubtful accounts</b>	(2,375)	(3,119)	(743)	
<b>Fixed assets</b>	55,803	57,335	1,532	
<b>Property, plant and equipment</b>	33,786	35,283	1,496	Capital investment +3,879 Depreciation (3,025) Foreign exchange, etc. +642
<b>Intangible assets</b>	4,680	4,837	157	
<b>Investments and other assets</b>	17,336	17,215	(120)	
<b>Total assets</b>	205,196	220,609	15,413	
<b>Current liabilities</b>	74,152	74,691	539	Notes and accounts payable +1,611 Short-term debt +1,176 Provision for warranties for completed construction +494 Advances from customers (3,192)
<b>Fixed liabilities</b>	5,778	5,435	(343)	
<b>Net assets</b>	125,264	140,482	15,217	Profit attributable to owners of parent +10,835 Dividends (5,298) Revenue recognition standards, etc. +140 Foreign currency translation adjustment +8,119 Non-controlling interests +2,152 Share buyback (1,004)
<b>Shareholders' equity ratio</b>	54.8%	56.9%	2.1%	
<b>BPS</b>	1,385.45 yen	1,549.83 yen	164.38 yen	

# Major Orders, Completed Projects

## New installations

Completed



**Osaka Umeda Twin Towers South  
(Osaka, Japan)  
Total of 23, 17 elevators  
and 6 escalators**

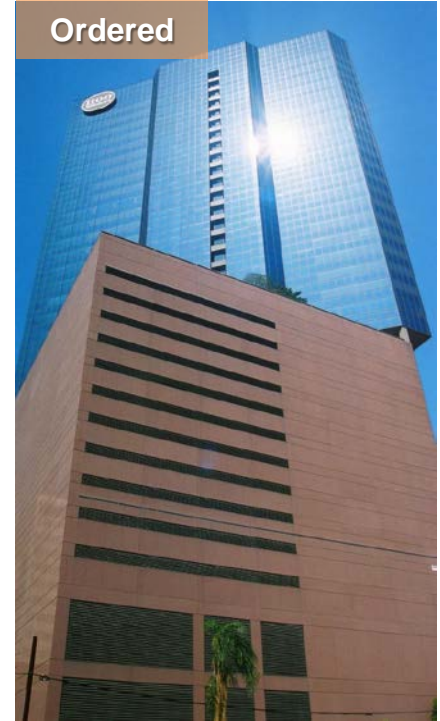
## Modernization projects

Ordered



**Wisma 46  
(Jakarta, Indonesia)  
Total of 19 elevators**

Ordered



**1100 Wilshire  
(Los Angeles, USA)  
Total of 9 elevators**



# Company Overview

Company:	FUJITEC CO., LTD.
Established:	February 1948 (Listed on TSE First Section in February 1974, moved to Prime Market in April 2022)
Head Office:	Big Wing at 591-1, Miyata-cho, in Hikone, Shiga Prefecture, Japan
Business lines:	R&D, manufacturing, marketing, installation, and maintenance of elevators and escalators
Paid-in Capital	¥12,533 million (82,400,000 shares issued and outstanding)
Directors	President and CEO Takakazu Uchiyama Nine directors (including five independent directors) Four members of Audit & Supervisory Board (including three outside members)
Number of employees	Consolidated: 10,683 (non-consolidated: 3,135)
Group companies	34, including 19 consolidated subsidiaries, in Americas, East Asia, South Asia, Europe, Middle East

This document includes forward-looking statements based on current company plans, estimates, expectations, and projections with respect to our business and industry trends. These forward-looking statements involve a variety of risks and uncertainties.

Risks, uncertainties, and other factors that are already known or not yet known may lead to results different than those discussed in forward-looking statements herein. We make no promises as to the accuracy of forward-looking statements or projections. Results may differ significantly from forward-looking statements.

Forward-looking statements in this document are statements of the company based on information available as of May 13, 2022. These forward-looking statements do not include updates or changes reflecting future events or circumstances.

May 13, 2022

# **FUJITEC CO., LTD.**

Financial Results Presentation for the Year Ended  
March 31, 2022 (FY2021)

