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May 14, 2024

Consolidated Business Results for the Fiscal Year Ended March 31, 2024 (Japan GAAP)

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

Listed on TSE

Stock Code: 6406

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Expected date of general shareholder's meeting: June 26, 2024 Expected starting date of dividend payment: June 27, 2024

Expected date of submission of statutory financial report: June 27, 2024

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, 2024 (April 1, 2023 to March 31, 2024)

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

Year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	229,401	10.5	14,571	25.4	18,717	40.4	17,830	111.4
March 31, 2023	207,589	11.0	11,618	(15.7)	13,331	(15.2)	8,433	(22.2)

(Note) Comprehensive income — March 31, 2024: 27,601 million yen [45.2%], March 31, 2023: 19,007 million yen [(13.2)%]

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, 2024	228.55	228.44	12.9	7.7	6.4
March 31, 2023	106.67	106.61	6.7	5.9	5.6

(Reference) Investment profit on equity method — March 31, 2024: — million yen, March 31, 2023: — million yen

(2) Financial position

Year ended	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	256,402	165,177	57.9	1,901.28
March 31, 2023	230,098	144,117	55.6	1,640.29

(Reference) Shareholders' equity — March 31, 2024: 148,358 million yen, March 31, 2023: 127,897 million yen

(3) Consolidated cash flows

Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	17,498	433	(12,104)	38,987
March 31, 2023	(2,346)	1,949	(10,670)	31,463

(Note) In the current consolidated fiscal year, the Company finalized the provisional accounting treatment for a business combination. The relevant figures for the previous consolidated fiscal year reflect the details of the finalization of the provisional accounting treatment.

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, 2023	—	35.00	—	40.00	75.00	5,896	70.3	4.7
March 31, 2024	—	35.00	—	120.00	155.00	12,094	67.8	8.8
Year ending March 31, 2025 (Projection)	—	75.00	—	90.00	165.00		80.5	

(Note) Year-end dividend for the year ended March 31, 2023: Regular dividend: 35.00 yen Commemorative dividend: 5.00 yen
Year-end dividend for the year ended March 31, 2024: Regular dividend: 50.00 yen Special dividend: 70.00 yen

3. Consolidated Earnings Projections for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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
Year ending March 31, 2025	245,000	6.8	18,100	24.2	20,000	6.9	16,000	(10.3)	205.05

4. Other

(1) Changes in significant subsidiaries during the period

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

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to revision of accounting standards: Yes

2) Changes other than 1), above: No

3) Changes in accounting estimates: No

4) Retrospective restatements: No

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of period (including treasury stock):	Year ended March 31, 2024: 78,900,000 shares	Year ended March 31, 2023: 78,900,000 shares
2) Treasury stock at the end of period:	Year ended March 31, 2024: 869,385 shares	Year ended March 31, 2023: 927,798 shares
3) Weighted average number of shares outstanding during the period:	Year ended March 31, 2024: 78,015,393 shares	Year ended March 31, 2023: 79,062,218 shares

(Note) Treasury stock for the year ended March 31, 2023 includes 51,400 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, 2024 (April 1, 2023 to March 31, 2024)

(1) Operating results

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	88,072	13.6	6,645	214.7	17,121	(3.9)	14,197	(8.4)
March 31, 2023	77,507	2.6	2,111	(61.2)	17,819	79.9	15,505	89.6

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2024	181.99	181.89
March 31, 2023	196.11	196.02

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2024	106,258	78,425	73.8	1,004.61
March 31, 2023	94,631	67,559	71.4	866.01

(Reference) Shareholders' equity – March 31, 2024: 78,390 million yen, March 31, 2023: 67,524 million yen

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

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

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

For more on business forecasts, see (4) *Future Outlook on P.7 of Consolidated Business Results for the Fiscal Year Ending March 31, 2025 (Accompanying Materials)*.

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1. Operating Results

(1) Explanation of Operating Results

Despite differences among regions, the global economy remained uncertain worldwide throughout the current consolidated fiscal year due to tight monetary policies and the sluggish economy in China. In the U.S., employment and income was favorable and consumer spending remained firm, despite sluggish manufacturing. In China, the economy continued to slow as housing sales and capital investment remained sluggish due to the impact of the ongoing drop in real estate prices. In Japan, business confidence in the non-manufacturing sector improved due to a recovery in consumer spending and inbound demand. The Japanese manufacturing sector transferred prices associated with rising prices, resulting in a gradual economic recovery.

In response to these circumstances, the Fujitec Group continued to implement specific measures reflecting the basic strategies of our three-year medium-term management plan Vision24, which we began in fiscal 2022.

Under our sales strategy, we endeavored to improve profitability in our domestic market by extending our modernization product lineup through expanding the sales of standard models and introducing a control panel replacement package compatible with large elevators. In terms of sales performance, we delivered a total of 110 elevators and escalators to Azabudai Hills (opened last year), recording the largest number of elevators and escalators ever delivered in our domestic projects. In the global market, we engaged in regional sales strategies tailored to the characteristics of each region, including growth markets. In India, we received orders for 538 elevators in large-scale housing projects. In Singapore, we upgraded 19 elevators to maintain safety and improve functionality in a high-rise building that we finished in 1986. Under our product and technology strategy, we are developing and marketing strategic models tailored to the maturity level in each market, improving customer convenience through web services for building managers, improved convenience through elevator and robot communications, IT, AI, and other new technologies. In this way, we work to solve customer issues. Under our production and operations strategy, we began construction of an elevator parts analysis and evaluation center (tentative name: Quality Laboratory Building) to improve product quality. We also worked to reduce production costs incurred through global procurement and reform installation costs in the field. Overseas, Fujitec India endeavored to increase production capacity, including the full-scale operation of a second elevator plant. Under our corporate strategy, we pursued aggressive M&A activities in Japan and overseas in this growth phase of our company, including the acquisition of Stampede Elevator in Canada. In terms of capital policy, we improved capital efficiency by streamlining working capital. We implement sustainability activities with an eye to ESG, including the publication of our first Integrated Report (Japanese and English) in December last year and the expansion of non-financial information. We also introduced double-connected trucks to pursue decarbonization and labor savings, and formulated new company-wide occupational health and safety guidelines and a health declaration to create a lively workplace. We have been engaged in steady governance-related initiative in response to the results of third-party committee investigation results we received after the extraordinary general meeting of shareholders in the previous fiscal year. These results concerned the renewal of the Nomination and Compensation Advisory Committee and the obstruction of director candidates and others in connection with shareholder proposals at the extraordinary general meeting of shareholders. Following the report, we disclosed company measures in December, including specific measures to establish corporate governance in line with the highest standards expected from listed companies. In October 2023, we launched the Steering Committee consisting of management, executive officers in charge of major divisions, and outside directors. This committee discusses the medium- to long-term direction of the company and key strategies. and as a result, in light of changes in the business environment surrounding the Company and other factors, a new five-year medium-term management plan was approved by the board of directors on May 14, 2024. As a result, in light of the changes in the business environment surrounding the Company, the board of directors approved a new five-year medium-term management plan on May 14, 2024, which entails fundamental corporate reforms to realize the Company's latent value. The new medium-term management plan defines our long-term vision to establish Fujitec as an industry-leading brand for all to experience the beauty and hospitality of a specialized Japanese manufacturer. Under this vision, we will strive to evolve into an excellent company—a reborn Fujitec embracing the spirit of continuity and change.

As a result of the matters discussed above, the Fujitec Group recorded business performance for the consolidated fiscal year ended March 31, 2024, as described below.

(Amounts less than one million yen are rounded down)

	FY2022 Q4 (April 1, 2022 - March 31, 2023)	FY2023 Q4 (April 1, 2023 - March 31, 2024)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Orders				
Japan	85,328	97,248	14.0	—
East Asia	59,973	66,242	10.5	6.1
South Asia	25,830	36,078	39.7	30.6
The Americas and Europe	45,848	48,002	4.7	(0.9)
Subtotal	216,980	247,571	14.1	—
Adjustments	(13,749)	(15,383)	—	—
Total	203,230	232,188	14.2	—
Order backlog				
Japan	80,659	89,837	11.4	—
East Asia	92,758	82,835	(10.7)	(14.0)
South Asia	26,574	33,594	26.4	18.2
The Americas and Europe	49,446	57,262	15.8	8.8
Subtotal	249,439	263,530	5.6	—
Adjustments	(4,540)	(5,213)	—	—
Total	244,898	258,316	5.5	—

Domestic orders increased significantly year on year in the new installations due to increased price pass-through to higher material and logistics costs. Orders for apartment complexes and stores in particular grew significantly. In the Aftermarket Business, modernization projects increased due to the effect of price revisions, similar to new installations. Repair work and maintenance (servicing and maintaining elevators and escalators) remained strong due to efforts to improve new contract rates.

Overseas orders for new installations in East Asia decreased in China and Taiwan, but increased in Hong Kong. In South Asia, new installation orders increased in Singapore and India, and the Aftermarket Business increased in all regions. In the Americas and Europe, new installations decreased in the U.S. and Canada, but Aftermarket Business increased in the U.S. and the U.K.

(Amounts less than one million yen are rounded down)

	FY2022 Q4 (April 1, 2022 - March 31, 2023)	FY2023 Q4 (April 1, 2023 - March 31, 2024)	Change (%)	Real change, after excluding the impact of foreign exchange (%)
Net sales	207,589	229,401	10.5	—
Japan	75,005	85,532	14.0	—
Overseas	132,583	143,868	8.5	3.2
Operating income	11,618	14,571	25.4	—
Ordinary income	13,331	18,717	40.4	—
Profit attributable to owners of parent	8,433	17,830	111.4	—
Net income per share	106.67 yen	228.55 yen	—	—

Both sales and profits increased year on year in current fiscal year. Ordinary income increased due to higher interest income from rising interest rates, and a decrease in provision of allowance for doubtful accounts. Profit before income taxes increased mainly due to gain on sales of property, plant and equipment of a consolidated subsidiary.

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

The business combination with Express Lifts Limited (currently Fujitec Express Limited) on September 20, 2022, accounted for tentatively in the previous consolidated fiscal year, was finalized in the current consolidated fiscal year. In accordance, data for the previous consolidated year reflects the revised amounts of the revisions to initial allocation of acquisition costs.

The following information highlights performance by segment:

(Amounts less than one million yen are rounded down)

	Net sales				Operating income			
	FY2022 Q4	FY2023 Q4	Change (%)	Real change, after excluding the impact of foreign exchange (%)	FY2022 Q4	FY2023 Q4	Change	Real change, after excluding the impact of foreign exchange
Japan	77,507	88,072	13.6	—	2,111	6,645	4,533	—
East Asia	82,927	79,378	(4.3)	(7.5)	4,486	1,630	(2,856)	(3,019)
South Asia	24,128	31,000	28.5	19.4	3,543	5,010	1,466	1,027
The Americas and Europe	36,361	45,776	25.9	19.1	1,525	1,455	(70)	(148)
Subtotal	220,925	244,228	10.5	—	11,667	14,741	3,074	—
Adjustments	(13,336)	(14,826)	—	—	(48)	(169)	(120)	—
Total	207,589	229,401	10.5	—	11,618	14,571	2,953	—

Japan

Both sales and profits increased year on year. Sales increased for new installations and modernization projects in the Aftermarket Business due to the revisions of sales prices. Operating income increased due to significant effects of sales price revisions on improved profitability, despite higher import costs resulting from the ongoing weakening of the yen.

East Asia

Both sales and profits decreased year on year. Sales decreased, despite increased sales from progress in large-lot modernization projects in Hong Kong. This decrease is mainly due to fewer new installation projects on hand, especially in China where orders declined under the real estate recession. New installations also declined due to the impact of lower market prices. Operating income decreased due to lower sales in new installations in China, as well as impacts from increased provision for losses on construction in Hong Kong, Taiwan, and Korea.

South Asia

Both sales and profits increased year on year. Sales in new installations increased due to increased sales in India from increased orders, despite lower sales in Singapore. For the Aftermarket Business, sales increased due to increased repair work in Singapore and Malaysia. Operating income increased in new installations, mainly due to a return to profit from cost reductions in India. Operating income in the Aftermarket Business increased due to increased sales in Singapore and Malaysia.

The Americas and Europe

Sales increased and profits decreased year on year. Sales increased in new installations in the U.S. and the U.K. Net sales in the Aftermarket Business increased, mainly due to an influx in modernization projects in the U.S., as well as the consolidation of a Mexican subsidiary. Operating income increased in the Aftermarket Business due to higher sales in the U.S. resulting from an increase in maintenance volume and higher maintenance unit prices, while New Installation Business operating income decreased due to the impact of lower profitability in Canada resulting from higher material and labor costs.

(2) Explanation of Financial Position

Total assets as of the end of the consolidated fiscal year under review amounted to 256,402 million yen, an increase of 26,304 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in cash and deposits and notes and accounts receivable - trade, and contract assets.

Total liabilities amounted to 91,225 million yen, an increase of 5,245 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to increases in accrued income taxes and provision for losses on construction contracts.

Net assets amounted to 165,177 million yen, an increase of 21,059 million yen compared with the end of the prior consolidated fiscal year. This result was mainly due to an increase in profit attributable to owners of parent of 17,830 million yen, an increase of 5,375 million yen in foreign currency translation adjustments, and an increase of 2,379 million yen in valuation difference on available-for-sale securities. These increases were offset in part by dividend payments of 5,852 million yen. Our shareholders' equity ratio as of the end of the consolidated fiscal year under review was 57.9%, up 2.3 points compared to the end of the prior consolidated fiscal year. Net assets per share amounted to 1,901.28 yen, up 260.99 yen compared with the end of the prior consolidated fiscal year.

The business combination with Express Lifts Limited (currently Fujitec Express Limited) on September 20, 2022, accounted for tentatively in the previous consolidated fiscal year, was finalized in the current consolidated fiscal year. In accordance, data for the previous consolidated year reflects the revised amounts of the revisions to initial allocation of acquisition costs.

(3) Consolidated Cash Flows

Cash and equivalents as of the end of the consolidated fiscal year under review amounted to 38,987 million yen, an increase of 7,523 million yen compared with the end of the prior consolidated fiscal year.

The following describes cash flows from each source and change factors for consolidated fiscal year ended March 31, 2024.

Cash Flows From Operating Activities

Net cash provided by in operating activities amounted to 17,498 million yen, compared with 2,346 million yen used in the previous fiscal year. This result was mainly due to a Loss (gain) on sale and retirement of non-current assets of 5,340 million yen and an increase in trade receivables of 5,323 million yen, offset in part by a profit before income taxes of 23,916 million yen and depreciation and amortization of 4,421 million yen.

Cash Flows From Investing Activities

Net cash provided by investing activities amounted to 433 million yen, a decrease of 1,515 million yen compared with the prior consolidated fiscal year. This result was mainly due to net increase in time deposits of 3,961 million yen and purchases of property, plant and equipment of 2,970 million yen, offset in part by proceeds from sales of intangible assets of 5,405 million yen and interest and dividends received of 2,161 million yen.

Cash Flows From Financing Activities

Net cash used in financing activities amounted to 12,104 million yen, an increase of 1,433 million yen compared with the prior consolidated fiscal year. This result was mainly due to a net decrease of 4,457 million yen in short-term borrowings and cash dividends paid, etc.

(Reference) Changes in Cash Flow Indicators

	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
Shareholders' equity ratio (%)	55.2	54.8	56.9	55.6	57.9
Equity ratio based on market capitalization (%)	58.3	93.2	115.6	111.3	115.4
Ratio of interest-bearing debt to cash flow (annual)	0.4	0.2	0.5	(5.1)	0.5
Interest coverage ratio (times)	107.6	225.6	144.1	(15.4)	51.5

(Notes) Equity ratio: Equity/total assets

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

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

Interest coverage ratio: Cash flow/interest payments

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

(4) Future Outlook

(Amounts less than one million yen are rounded down)

	Next Fiscal Year Ending March 31, 2025	Year-on-Year Change (%)
Net sales	245,000	6.8
Operating income	18,100	24.2
Ordinary income	20,000	6.9
Profit attributable to owners of parent	16,000	(10.3)
Net income per share	205.05yen	—

(Amounts less than one million yen are rounded down)

	Net sales		Operating income	
	Next Fiscal Year	Year-on-Year Change (%)	Next Fiscal Year	Year-on-Year Change
Japan	91,000	3.3	6,500	(145)
East Asia	79,000	(0.5)	3,900	2,269
South Asia	37,000	19.4	5,800	789
The Americas and Europe	52,000	13.6	1,900	444
Subtotal	259,000	6.0	18,100	3,358
Adjustments	(14,000)	—	—	169
Total	245,000	6.8	18,100	3,528

Outlook for the Next Fiscal Year

In the next fiscal year, the speed of recovery is likely to slow due to continued uncertainty about the future, including ongoing inflation in countries around the world, the real estate recession in China, and concerns about the global situation.

The Fujitec Group remains committed to placing the highest priority on the safety and security of our employees and other affiliated persons. While we understand the concerns about the supply chain impacts of rising raw materials prices and concerns of the global situation on our businesses, we will endeavor to improve profitability through sales strategies tailored to market characteristics and cost reforms, reduced SG&A expenses, and other measures based on production and operations strategies. 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 245,000 million yen (up 6.8% increase compared with the current fiscal year), operating income of 18,100 million yen (up 24.2%), ordinary income of 20,000 million yen (up 6.9%), and net income of 16,000 million yen (down 10.3%).

Assumptions Used in Outlook for the Next Fiscal Year

The earnings forecasts above are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. These forecasts are not a guarantee of performance. Actual results may differ significantly from forecasts due to a variety of factors. Major factors include economic conditions in our major markets (Japan, Asia, the Americas, and Europe), fluctuations in product supply and demand, raw material price trends, and exchange rate fluctuations. We have assumed a US\$1 to 145 yen average exchange rate for our full-year forecasts.

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

In terms of year-end dividends for the current fiscal year, we intend to pay regular dividends of 50 yen per share and a special dividend of 70 yen per share for a total of 120 yen per share. This dividend reflects the Company marking new record highs in net sales, operating income, and ordinary income, as well as a new record high in profit attributable to owners of parent stemming from factors including the recording of special gain on sales of property, plant and equipment of FUJITEC (HK) Company Limited property, plant and equipment. Combined with the interim dividend of 35 yen per share, we plan to pay an annual dividend of 155 yen per share. As a result, we expect the consolidated dividend payout ratio to be 67.8%.

In line with the capital policy we defined in our new medium-term management plan Move On 5, our approach to profit distribution considers improved capital efficiency and enhancing shareholder returns to be our most important management priorities. At the same time, we endeavor to maintain distributions targeting an 80% consolidated payout ratio balanced with a healthy financial foundation in support of business growth.

In addition to internal reserves, we use borrowings based on capital procurement policy to invest actively in growth areas, engage in M&A, etc., to enhance corporate value, and we will continue to consider share buybacks as a means of returning profits to shareholders.

We plan to pay an annual dividend of 165 yen per share in the next fiscal year, representing an interim dividend of 75 yen per share and a year-end dividend of 90 yen per share.

2. Basic Approach to Selection of Accounting Standards

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

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

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	58,297	80,560
Notes and accounts receivable-trade, and contract assets	75,545	85,141
Merchandise and finished goods	4,968	3,672
Work in process	3,303	4,322
Raw materials and supplies	12,382	12,922
Other	7,771	7,653
Allowance for doubtful accounts	(3,135)	(3,789)
Total current assets	159,132	190,484
Fixed assets		
Property, plant and equipment		
Buildings and structures	39,870	41,351
Accumulated depreciation	(19,801)	(21,507)
Buildings and structures, net	20,068	19,844
Machinery and equipment	16,198	17,014
Accumulated depreciation	(10,554)	(11,463)
Machinery and equipment, net	5,644	5,551
Tools, furniture and fixtures	9,851	10,529
Accumulated depreciation	(7,111)	(7,660)
Tools, furniture and fixtures, net	2,739	2,869
Land	7,200	7,256
Leased assets	3,233	4,219
Accumulated depreciation	(1,222)	(1,839)
Leased assets, net	2,010	2,380
Construction in progress	843	1,645
Total property, plant and equipment	38,506	39,547
Intangible assets		
Goodwill	1,503	2,210
Other	3,903	3,826
Total intangible assets	5,406	6,036
Investments and other assets		
Investments securities	10,059	11,770
Long-term loans receivable	1,262	1,171
Net defined benefit asset	—	980
Deferred tax assets	4,812	3,580
Other	11,698	3,505
Allowance for doubtful accounts	(780)	(674)
Total investments and other assets	27,052	20,334
Total fixed assets	70,965	65,917
Total assets	230,098	256,402

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,548	18,181
Electronically recorded obligations-operating	3,904	4,116
Short-term debt	9,789	5,733
Current portion of long-term debt	6	—
Accrued income taxes	1,430	4,431
Provision for bonuses	2,628	3,173
Provision for director bonuses	46	57
Provision for losses on construction contracts	8,568	10,227
Provision for warranties for completed construction	2,086	2,234
Provision for shareholder benefit program	114	127
Advances from customers	21,010	20,999
Other	11,752	15,021
Total current liabilities	79,888	84,304
Non-current liabilities		
Long-term debt	13	128
Deferred tax liabilities	173	213
Net defined benefit liability	4,232	4,595
Asset retirement obligations	53	53
Other	1,618	1,931
Total non-current liabilities	6,092	6,921
Total liabilities	85,980	91,225
Net assets		
Shareholders' equity		
Paid-in capital	12,533	12,533
Additional paid-in capital	14,475	14,565
Retained earnings	99,545	111,405
Treasury stock	(2,287)	(2,155)
Total Shareholders' equity	124,268	136,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,426	4,806
Deferred gains or losses on hedges	(127)	(125)
Foreign currency translation adjustments	2,098	7,473
Remeasurements of defined benefit plans	(768)	(146)
Total accumulated other comprehensive income	3,629	12,008
Stock acquisition rights	35	35
Non-controlling interests	16,185	16,783
Total net assets	144,117	165,177
Total liabilities and net assets	230,098	256,402

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

Consolidated Statements of Income

(Millions of yen)

	FY2022 Q4 April 1, 2022 - March 31, 2023	FY2023 Q4 April 1, 2023 - March 31, 2024
Net sales	207,589	229,401
Cost of sales	165,430	180,994
Gross profit	42,158	48,407
Selling, general and administrative expenses	30,540	33,835
Operating income	11,618	14,571
Other income		
Interest income	1,175	2,429
Dividend income	235	261
Foreign exchange gains	649	752
Rent income	154	189
Miscellaneous income	425	999
Total other income	2,641	4,632
Other expenses		
Interest expenses	185	387
Provision of allowance for doubtful accounts	571	13
Commission for purchase of treasury shares	93	—
Miscellaneous loss	77	86
Total other expenses	928	486
Ordinary income	13,331	18,717
Special gain		
Gain on sales of property, plant and equipment	16	5,363
Gain on sales of investment securities	10	466
Subsidy income	268	—
Total special gain	295	5,830
Special loss		
Loss on sales of property, plant and equipment	5	4
Loss on retirement of property, plant and equipment	37	19
Impairment loss	1,146	607
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	0	—
Loss on valuation of shares of subsidiaries and associates	1	—
Total special loss	1,190	631
Profit before income taxes	12,435	23,916
Income taxes expense	2,474	4,775
Income taxes for prior periods	—	605
Deferred taxes expense	522	148
Total income taxes	2,997	5,529
Profit	9,438	18,387
Profit attributable to non-controlling interests	1,005	556
Profit attributable to owners of parent	8,433	17,830

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2022 Q4 April 1, 2022 - March 31, 2023	FY2023 Q4 April 1, 2023 - March 31, 2024
Profit	9,438	18,387
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	2,379
Deferred gains or losses on hedges	(172)	2
Foreign currency translation adjustments	9,953	6,209
Remeasurements of defined benefit plans	(162)	622
Total other comprehensive income	9,568	9,214
Comprehensive income	19,007	27,601
Comprehensive income attributable to:		
Owners of parent	17,113	26,209
Non-controlling interests	1,894	1,391

(3) Consolidated Statements of Changes in Shareholders' Equity

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

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the current fiscal year	12,533	14,474	104,649	(2,267)	129,391
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Dividends from surplus			(6,427)		(6,427)
Changes in scope of consolidation			1,470		1,470
Effect of hyperinflation			(19)		(19)
Profit attributable to owners of parent			8,433		8,433
Purchases of treasury stock				(8,932)	(8,932)
Disposal of treasury stock		7		345	352
Cancellation of treasury stock		(8,567)		8,567	—
Transfer from retained earnings to capital surplus		8,560	(8,560)		—
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	0	(5,103)	(19)	(5,123)
Balance at the end of the current fiscal year	12,533	14,475	99,545	(2,287)	124,268

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the current fiscal year	2,475	17	(5,794)	(607)	(3,908)	35	14,964	140,482
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								0
Dividends from surplus								(6,427)
Changes in scope of consolidation								1,470
Effect of hyperinflation								(19)
Profit attributable to owners of parent								8,433
Purchases of treasury stock								(8,932)
Disposal of treasury stock								352
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	(49)	(144)	7,892	(161)	7,537	—	1,220	8,758
Total changes during the current fiscal year	(49)	(144)	7,892	(161)	7,537	—	1,220	3,635
Balance at the end of the current fiscal year	2,426	(127)	2,098	(768)	3,629	35	16,185	144,117

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the current fiscal year	12,533	14,475	99,545	(2,287)	124,268
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		81			81
Dividends from surplus			(5,852)		(5,852)
Changes in scope of consolidation			(48)		(48)
Effect of hyperinflation			(70)		(70)
Profit attributable to owners of parent			17,830		17,830
Purchases of treasury stock				(1)	(1)
Disposal of treasury stock		8		133	141
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	—	89	11,859	132	12,081
Balance at the end of the current fiscal year	12,533	14,565	111,405	(2,155)	136,349

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the current fiscal year	2,426	(127)	2,098	(768)	3,629	35	16,185	144,117
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								81
Dividends from surplus								(5,852)
Changes in scope of consolidation								(48)
Effect of hyperinflation								(70)
Profit attributable to owners of parent								17,830
Purchases of treasury stock								(1)
Disposal of treasury stock								141
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Net changes of items other than shareholders' equity	2,379	1	5,375	622	8,379	—	598	8,977
Total changes during the current fiscal year	2,379	1	5,375	622	8,379	—	598	21,059
Balance at the end of the current fiscal year	4,806	(125)	7,473	(146)	12,008	35	16,783	165,177

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 Q4 April 1, 2022 - March 31, 2023	FY2023 Q4 April 1, 2023 - March 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,435	23,916
Depreciation and amortization	4,033	4,421
Impairment loss	1,146	607
Increase (decrease) in allowance for doubtful accounts	294	343
Increase (decrease) in provision for bonuses to employees	(785)	490
Increase (decrease) in provision for loss on construction contracts	(2,306)	1,260
Interest and dividend income	(1,411)	(2,690)
Interest expenses	185	387
Decrease (increase) in notes and accounts receivable-trade	(4,281)	(5,323)
Decrease (increase) in inventories	(4,283)	1,065
Increase (decrease) in notes and accounts payable-trade	870	(1,415)
Loss (gain) on sales of investment securities	(10)	(466)
Increase (decrease) in advances received	(3,354)	(2,277)
Loss (gain) on sale and retirement of non-current assets	25	(5,340)
Increase (decrease) in net defined benefit liability	49	180
Loss (gain) on valuation of investment securities	0	—
Other, net	(1,156)	4,270
Subtotal	1,453	19,428
Income taxes paid	(3,799)	(1,930)
Net cash provided by (used in) operating activities	(2,346)	17,498
Cash flows from investing activities		
Payments into time deposits	(17,503)	(23,659)
Proceeds from withdrawal of time deposits	25,879	19,697
Purchase of property, plant and equipment	(3,723)	(2,970)
Proceeds from sales of property, plant and equipment	32	74
Purchase of investment securities	(1,805)	(128)
Proceeds from sales of investment securities	46	689
Purchase of intangible assets	(233)	(241)
Proceeds from sale of intangible assets	—	5,405
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,756)	(528)
Collection of loans receivable	177	81
Interest and dividends received	1,116	2,161
Other, net	(281)	(147)
Net cash provided by (used in) investing activities	1,949	433

(Millions of yen)

	FY2022 Q4 April 1, 2022 - March 31, 2023	FY2023 Q4 April 1, 2023 - March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,775	(4,457)
Proceeds from long-term borrowings	0	27
Repayments of long-term borrowings	(383)	(136)
Purchase of treasury shares	(8,559)	(1)
Interest paid	(152)	(339)
Cash dividends paid	(6,414)	(5,851)
Dividends paid to non-controlling interests	(806)	(595)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	(254)
Other, net	(128)	(496)
Net cash provided by (used in) financing activities	(10,670)	(12,104)
Effect of exchange rate change on cash and cash equivalents	3,279	1,598
Net increase (decrease) in cash and cash equivalents	(7,788)	7,424
Cash and cash equivalents at beginning year	39,042	31,463
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	209	99
Cash and cash equivalents at end of year	31,463	38,987

(5) Notes to the Consolidated Financial Statements

(Notes Regarding Assumptions of Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Adoption of ASU No.2016-13, *Financial Instruments—Credit Losses*)

During the current consolidated fiscal year, the Company adopted Accounting Standards Update (ASU) No.2016-13 (Financial Instruments—Credit Losses) for Fujitec Group subsidiaries using U.S. generally accepted accounting principles. With this change, we revised our method for measuring financial instruments. The aforementioned ASU also requires the recognition of write-downs for financial assets using an expected credit loss model. The adoption of this accounting standard has no effect on our consolidated financial statements or per-share information.

(Changes in Presentation Methods)

(Changes in the consolidated statements of cash flows)

We revised the account title for loss (gain) on sales and retirement of property, plant and equipment, which had been presented under cash flows from operating activities in the previous consolidated fiscal year, to for the current consolidated fiscal year due to the recording of a gain on sale related to intangible assets arising during the current consolidated fiscal year.

As a result, the 25 million yen disclosed under loss (gain) on sales and retirement of property, plant and equipment in the consolidated statements of cash flows for the previous consolidated fiscal year are presented as 25 million yen in loss (gain) on sale and retirement of non-current assets.

(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. However, the company terminated the Trust on August 29, 2023.

(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 previous consolidated fiscal year amounted to 115 million yen and 51,000 shares, respectively.

As of the end of the current consolidated fiscal year, the Trust contained no remaining shares of Company stock as the Trust has been discontinued.

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

No borrowings were recorded as of the end of the current consolidated fiscal year as the Trust has been discontinued.

(Hyperinflation Accounting)

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

(Segment and Other Information)

(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 The Americas and Europe (the United States, Canada, Argentina, Mexico, and the United Kingdom).

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

Effective as of the current consolidated fiscal year, Elevadores EV International, S.A. de C.V. is included in the scope of consolidation under The Americas and Europe due to its increased importance.

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.

Further, during the current consolidated fiscal year, the Company finalized the accounting treatment for business combinations. The segment information disclosed for the previous consolidated fiscal year represents amounts subsequent to making a significant revision of the allocation of acquisition costs after finalizing the provisional accounting treatment of the previous consolidated fiscal year.

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

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

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	75,035	72,103	24,123	36,326	207,589	—	207,589
Intersegment sales/transfers	2,471	10,824	5	35	13,336	(13,336)	—
Total	77,507	82,927	24,128	36,361	220,925	(13,336)	207,589
Segment income	2,111	4,486	3,543	1,525	11,667	(48)	11,618
Segment assets	94,584	106,178	35,659	23,642	260,065	(29,967)	230,098
Other items							
Depreciation and amortization	2,143	957	342	590	4,033	—	4,033
Amortization of goodwill	—	—	32	81	114	—	114
Impairment loss	99	—	—	1,046	1,146	—	1,146
Increase in property, plant and equipment and intangible assets	2,703	178	851	793	4,527	—	4,527

Note 1 Adjustments are as follows:

- (1) Segment income adjustments of (48) million yen include eliminations of intersegment transactions of 6 million yen and inventory adjustments of (55) million yen.
- (2) Segment asset adjustments of (29,967) million yen include eliminations of intersegment transactions of (29,766) million yen and inventory adjustments of (201) million yen.
- 2 Segment income has been adjusted to operating income on the consolidated statements of income.
- 3 The increase in property, plant and equipment and intangible assets does not include an increase in amounts stemming from new consolidations.

(Millions of yen)

	Reportable Segments					Adjustments (Note 1)	Amount Recorded on Consolidated Financial Statements (Note 2)
	Japan	East Asia	South Asia	The Americas and Europe	Total		
Net sales							
Sales to external customers	85,565	67,094	30,999	45,741	229,401	—	229,401
Intersegment sales/transfers	2,506	12,284	0	35	14,826	(14,826)	—
Total	88,072	79,378	31,000	45,776	244,228	(14,826)	229,401
Segment income	6,645	1,630	5,010	1,455	14,741	(169)	14,571
Segment assets	106,211	107,063	42,378	29,709	285,362	(28,960)	256,402
Other items							
Depreciation and amortization	2,183	970	564	702	4,421	—	4,421
Amortization of goodwill	—	—	124	160	284	—	284
Impairment loss	142	—	464	—	607	—	607
Increase in property, plant and equipment and intangible assets	2,737	297	498	585	4,120	—	4,120

Note 1 Adjustments are as follows:

- (1) Segment income adjustments of (169) million yen include eliminations of intersegment transactions of (0) million yen and inventory adjustments of (169) million yen.
- (2) Segment asset adjustments of (28,960) million yen include eliminations of intersegment transactions of (28,625) million yen and inventory adjustments of (334) million yen.
- 2 Segment income has been adjusted to operating income on the consolidated statements of income.
- 3 The increase in property, plant and equipment and intangible assets does not include an increase in amounts stemming from new consolidations.

(Per-Share Information)

Item	Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net assets per share	1,640.29 yen	1,901.28 yen
Net income per share	106.67 yen	228.55 yen
Diluted net income per share	106.61 yen	228.44 yen

Note 1 In calculating the number of shares of common stock and average number of shares of common stock during the period used as a basis for the calculation per-share information, treasury shares deducted for said calculation include Fujitec Co., Ltd. stock (51,400 shares as of the end of the previous consolidated fiscal year under review) held as a trust-type employee shareholding incentive plan (E-Ship). The average number of Fujitec Co., Ltd. shares held in the trust was 124,154 shares in the previous consolidated fiscal year and 12,583 shares in the current consolidated fiscal year under review.

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

Item	Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	8,433	17,830
Amounts not attributable to shareholders of common stock (Millions of yen)	—	—
Profit attributable to common stock owners of parent (Millions of yen)	8,433	17,830
Average number of outstanding shares of common stock (Thousand shares)	79,062	78,015
Diluted net income per share		
Adjustment of net income attributable to owners of parent (Millions of yen)	—	—
Increase in number of common stock (Thousand shares)	38	38
(Stock acquisition rights included) (Thousand shares)	(38)	(38)
Outline of dilutive stock not included in calculation of diluted net income per share due to anti-dilutive effect	—	—

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

Item	Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Total net assets (Millions of yen)	144,117	165,177
Amount deducted from total net assets (Millions of yen)	16,220	16,819
(Stock acquisition rights included) (Millions of yen)	(35)	(35)
(Non-controlling interests included) (Millions of yen)	(16,185)	(16,783)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	127,897	148,358
Number of common shares at the end of the fiscal year used to calculate net assets per share (Thousand shares)	77,972	78,030

(Significant Subsequent Events)

Not applicable.