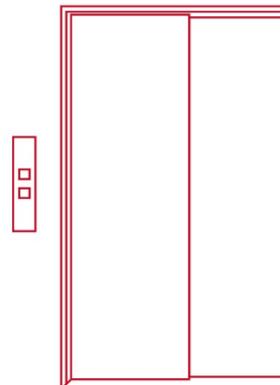




# Financial Results Presentation for the First Quarter Ended June 30, 2023 (FY2023)



August 7, 2023

FUJITEC CO., LTD.

(TSE Prime Section: 6406)

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## First Quarter Ended June 30, 2023 (FY2023)

- Both sales and income increased year on year. Net sales increased 21.0% to ¥50,453 million and operating income 77.3% to ¥3,822 million.
- FY2023 Q1 saw a solid increase in both orders and sales, achieving a return to profitability. Sales increased in all segments. The increase in net sales and improved profitability in Japan, East Asia, and South Asia contributed to the remarkable growth in income.
- Orders increased 23.8% to ¥63,830 million. In Japan, there was robust demand for new installations, repair works, and maintenance services. In overseas, new installations decreased in East Asia but South Asia, and the Americas & Europe saw strong demand for new installations and modernization projects.

## FY2023 Earnings Forecast (Year ending March 31, 2024)

- Consolidated Financial Results raised both sales and operating income forecasts from the estimates. Fujitec now forecasts net sales of ¥226,000 million and operating income of ¥13,800 million.

### Highlights

- Fujitec India's new plant brought into full operation and set to expand capacity to produce 3,000 units per year.
- A new management team installed at the annual shareholders' meeting on June 21, with Masayoshi Harada as president and CEO.
- Fujitec awarded a special prize of the 24<sup>th</sup> Logistics Environment Award for its CO2 reduction efforts using double-trailer trucks.



**Consolidated Financial Results for the Q1  
Ended June 30, 2023 (FY2023)**

# Earnings Highlights for FY2023 Q1

- Both sales and income increased year on year, with net sales setting a record high for Q1 figures.
- Operating income rose significantly despite persistently high materials costs, thanks to robust sales and improved profitability.

(In million yen)

	FY2022 Q1	FY2023 Q1	YoY change (%)
<b>Net sales</b>	41,705	<b>50,453</b>	21.0
<b>Japan</b>	15,296	<b>17,852</b>	16.7
<b>Overseas</b>	26,408	<b>32,601</b>	23.4
<b>Operating income</b>	2,155	<b>3,822</b>	77.3
<b>Ordinary income</b>	2,991	<b>4,572</b>	52.8
<b>Profit attributable to owners of the parent</b>	2,845	<b>3,546</b>	24.6
<b>Net income per share</b>	35.50 yen	<b>45.48 yen</b>	—

JPY/USD ex. rate

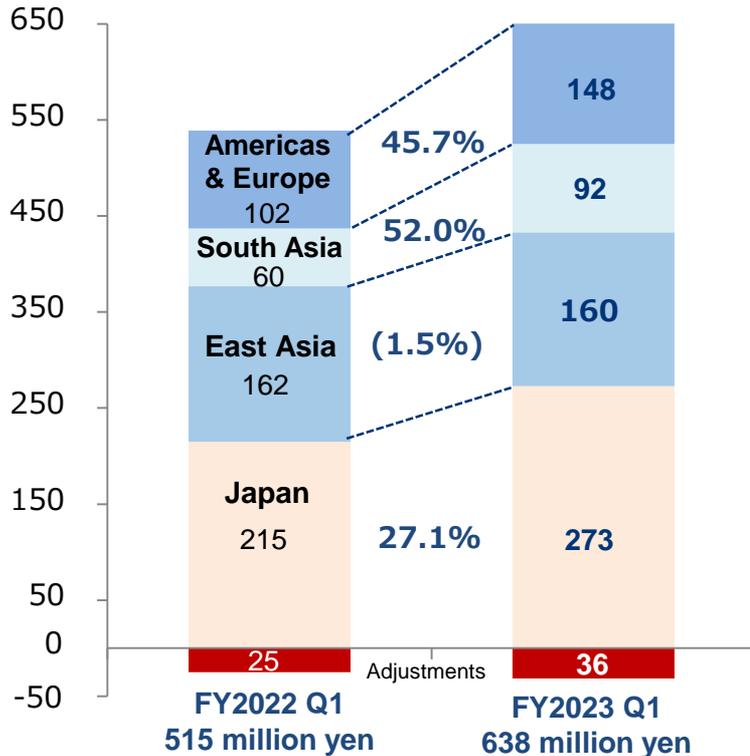
115.34 yen

133.17 yen

# Orders Received in FY2023 Q1

- Orders received increased 23.8% year on year.
- Orders increased solidly in Japan, while there was a robust increase in orders for new installations and modernization projects in overseas, excluding new installations in East Asia.

(In 100 million yen) YoY change in orders received



Japan

## ● New Installation Business

- Orders increased significantly as a result of winning large projects and raising prices across the board to reflect higher materials costs, and as a reaction to the suppressed order intake in FY2022 Q1 associated with the stagnation in parts and components imports caused by the Shanghai lockdowns.

## ● Aftermarket Business

- Orders for repair works increased.
- Maintenance services continued to see good inflows of orders with the order closing rate maintained at a high level.

Overseas

## ● New Installation Business

- Orders decreased in East Asia due to market downturns in countries across the region and as a reaction to the strong performance in FY2022 Q1.
- In South Asia, orders increased in Singapore and India.
- In the Americas, orders increased in the US and Argentina.

## ● Aftermarket Business

- Orders for modernization projects increased in Hong Kong, Singapore, and the US.

\*Figures in the graph represent the value of orders received.

# Earnings by Segment for FY2023 Q1

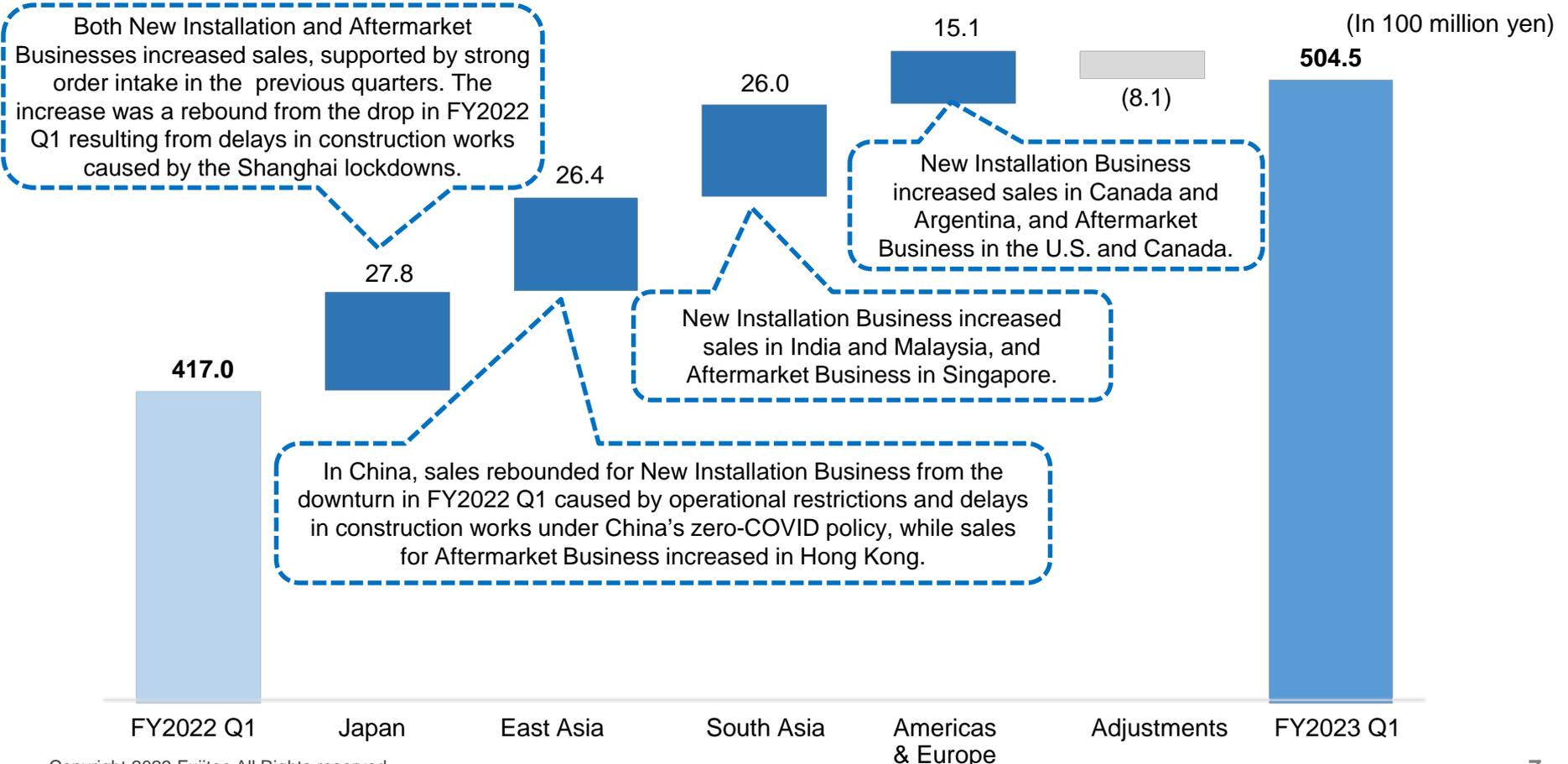
- Net sales increased in all segments. Sales recovered in Japan and East Asia, while strong performance was maintained in South Asia, and the Americas & Europe.
- Operating income increased in Japan, East Asia, and South Asia thanks to robust sales and improved profitability, but decreased slightly in the Americas & Europe due to an increase in costs in the UK.

(In million yen)

	Net sales			Operating income (loss)		
	FY2022 Q1	FY2023 Q1	Change (%)	FY2022 Q1	FY2023 Q1	Change
Japan	15,923	<b>18,708</b>	17.5	(61)	<b>202</b>	264
East Asia	14,966	<b>17,615</b>	17.7	542	<b>1,312</b>	769
South Asia	5,376	<b>7,982</b>	48.5	1,338	<b>2,252</b>	914
Americas & Europe	8,174	<b>9,693</b>	18.6	330	<b>204</b>	(125)
Subtotal	44,441	<b>53,999</b>	21.5	2,149	<b>3,971</b>	1,822
Adjustments	(2,736)	<b>(3,546)</b>	—	6	<b>(149)</b>	(156)
<b>Total</b>	41,705	<b>50,453</b>	21.0	2,155	<b>3,822</b>	1,666

# Breakdown of Net Sales for FY2023 Q1

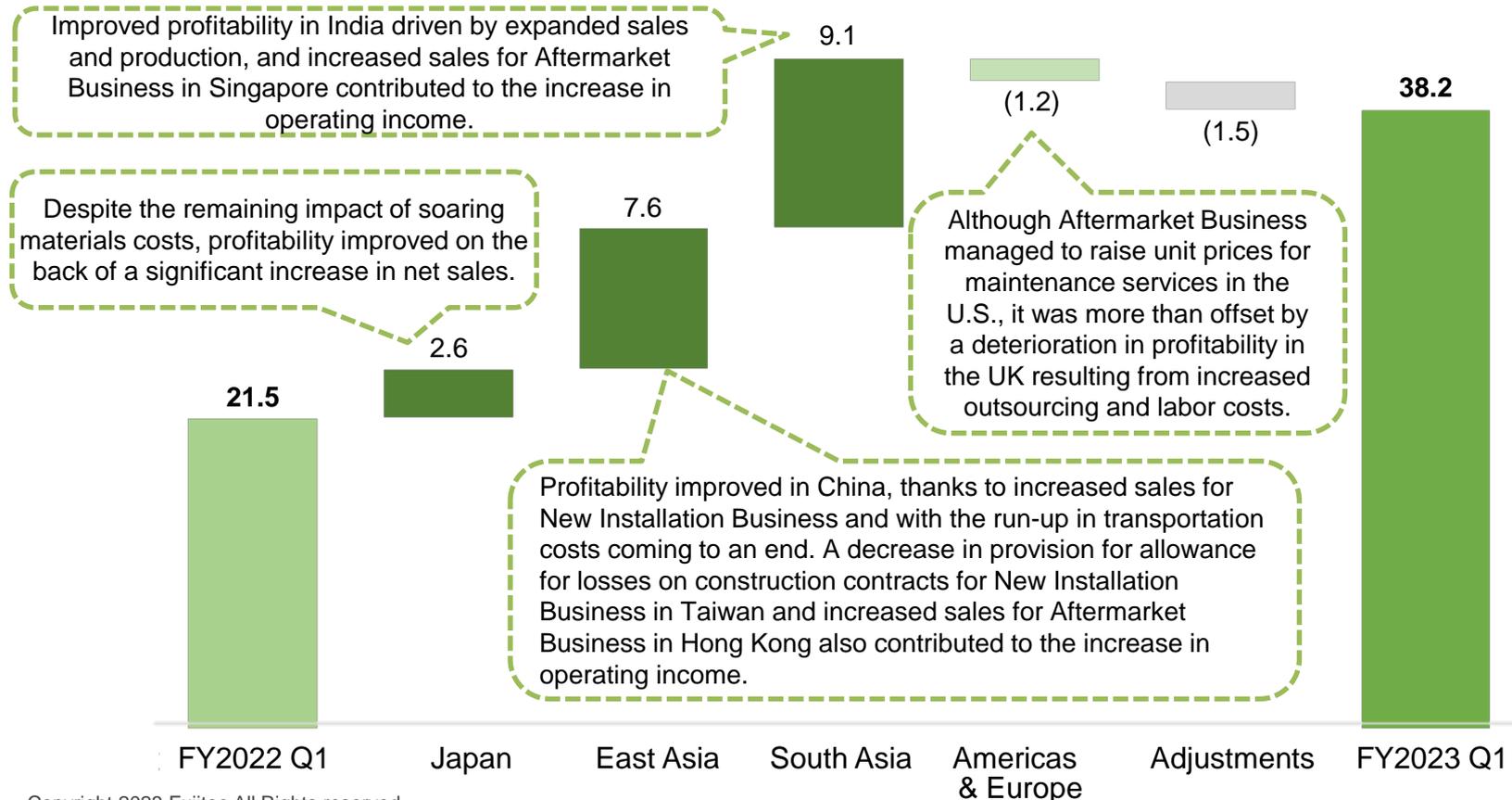
- In Japan and East Asia, both New Installation and Aftermarket Businesses made a recovery. Strong performance was maintained in South Asia as well as in the Americas & Europe.



# Breakdown of Operating Income for FY2023 Q1

- Operating income increased in Japan, East Asia, and South Asia thanks to increased net sales and improved profitability, but decreased slightly in the Americas & Europe due to a deterioration in profitability in UK.

(In 100 million yen)



# Upward Revision to FY2023 Earnings Forecasts

- Raised projections for net sales and profits for consolidated earnings.
- This change in forecast is due to there cording of gain on sales of property, plant and equipment as extraordinary income resulting from the transfer of fixed assets from consolidated subsidiary Fujitec (HK) Company Limited, as well as a review of assumed exchange rates.

(In million yen)

	FY2023		Change (%)	FY2022 (Reference)
	Previous Forecast	Revised Forecast		
Net sales	223,000	226,000	1.4	207,589
Operating income	13,400	13,800	3.0	11,619
Ordinary income	15,100	15,500	2.7	13,332
Profit attributable to owners of parent	10,400	15,600	50.0	8,433
Net income per share	133.38 yen	200.02 yen	—	106.67 yen
JPY/USD ex. rate	125.00 yen	130.00 yen		130.61 yen

# Earnings by Segment (Forecast)

(In million yen)

	Net sales			Operating income		
	Previous Forecast	Revised Forecast	Change (%)	Previous Forecast	Revised Forecast	Change
Japan	85,000	<b>85,000</b>	—	3,400	<b>3,400</b>	—
East Asia	87,000	<b>86,000</b>	(1.2)	4,400	<b>4,500</b>	100
South Asia	25,000	<b>27,000</b>	8.0	3,700	<b>3,900</b>	200
The Americas and Europe	39,000	<b>41,000</b>	5.1	2,000	<b>2,100</b>	100
Subtotal	236,000	<b>239,000</b>	1.3	13,500	<b>13,900</b>	400
Adjustments	(13,000)	<b>(13,000)</b>	—	(100)	<b>(100)</b>	—
Total	223,000	<b>226,000</b>	1.4	13,400	<b>13,800</b>	400

## Fujitec India's new plant put into full operation

- Fujitec India's second plant and new research tower have been brought into full operation.
- Sales of standard-model elevators are robust in India. The capacity will be increased 1.5-fold from the current 2,000 units to 3,000 units per year by the end of 2023.
- We strive to further expand global business under the Medium-Term Management Plan "Vision 24" by expanding business areas and increasing production capacity.
- An effluent treatment plant, approved by the Central Pollution Control Board (CPCB) of India, has been set up to achieve zero liquid discharge (ZLD) from the painting and coating process.



## Further business expansion through M&As



### Stampede Elevator Inc.

- Acquisition of 100% of shares in Stampede Elevator Inc. of Canada
- In line with the M&A strategy under the Medium-Term Management Plan "Vision 24," which calls for strengthening maintenance services in mature markets, we acquired Stampede Elevator, a financially-sound maintenance service provider based in Calgary, Canada, to increase our presence in the country.

## Leading-edge technology to support elevator/escalator users



- A touchless and hand-free elevator operating system enables users to call the elevator and register the destination floor via facial authentication, realizing more comfortable commuting.

Passenger calls the elevator via facial authentication.

## Special prize for double-trailer trucks

- We were awarded a special prize of the 24<sup>th</sup> Logistics Environment Award from the Japan Association for Logistics and Transport for our efforts to decarbonize our long-haul transportation operations and save human labor involved by introducing double-trailer trucks.\*
- In May, additional two double-trailer trucks were put into service to transport elevators from the elevator plant in Hikone, Shiga Prefecture, to the Tokyo metropolitan area.
- As the owner of the freight, we proactively choose a triple-win transportation method that would benefit the society, our partner companies, and us, to help address social challenges, seeking at the same time to establish an efficient and sound logistics system.



\* Jointly awarded with Senko Co., Ltd. and Asahi Kasei Home Corporation.

## Utilization of generative AI

- Fujitec-GAI, an internal tool designed to enable the safe use of ChatGPT,\* has been put into use.
- Users can call up ChatGPT via Slack, a communication tool to protect their entered text from being used by ChatGPT for learning or any other secondary use, thereby ensuring the safe use of the AI language model.

\* A generative AI-powered conversational services launched by OpenAI of the United States on November 30, 2022.

## Installation of a new management team



- A new management team was installed at the annual shareholders' meeting on June 21, with Masayoshi Harada as president and CEO.

From left, Director Kosuke Sato, President and CEO Masayoshi Harada, and Senior Executive Operating Officer Takashige Nakajima.

## **Reference Materials**

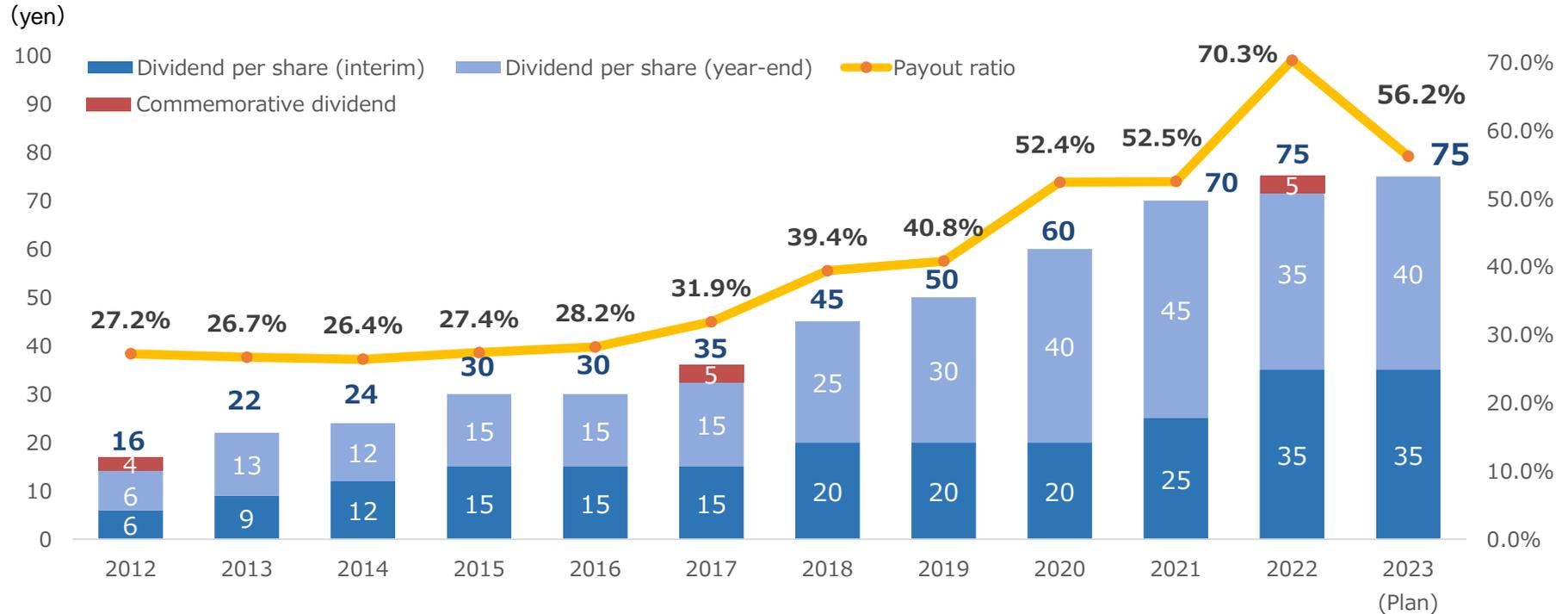
# Consolidated Balance Sheets as of June 30, 2023

**FUJITEC**

(In million yen)

	March 31, 2023	June 30, 2023	Change	Comments
<b>Current assets</b>	159,132	164,571	5,439	
Cash and deposits	58,297	67,535	9,237	Increase in Japan, East Asia, and South Asia
Notes and accounts receivable-trade, and contract assets	75,545	71,410	(4,135)	Decrease in Japan and East Asia
Inventory	20,654	21,839	1,184	Increase in East Asia
Other	7,771	7,118	(653)	
Allowance for doubtful accounts	(3,135)	(3,331)	(195)	
<b>Fixed Assets</b>	70,966	68,788	(2,177)	
Property, plant and equipment	38,506	38,264	(242)	Capital investment: 551, Depreciation: (941), Foreign exchange, etc.: 148
Intangible assets	5,368	5,352	(15)	
Investments and other assets	27,090	25,171	(1,918)	Decrease resulting from transferring from long-term deposits to cash and deposits: -3,951, Increase in the value of securities resulting from higher stock prices: 1,098
<b>Total assets</b>	230,098	233,360	3,261	
<b>Current liabilities</b>	79,888	80,209	320	Advances from customers: 1,214, Notes and accounts payable: (577), Electronically recorded obligations-operating: (289)
<b>Non-current liabilities</b>	6,092	6,204	112	
<b>Net assets</b>	144,118	146,946	2,828	Foreign currency translation adjustments: 1,065, Valuation difference on available-for-sale securities: 821, Retained earnings: 425
<b>Shareholders' equity ratio</b>	55.6%	55.8%	0.2pt	
<b>BPS</b>	1,640.29 yen	1,669.68 yen	29.39 yen	

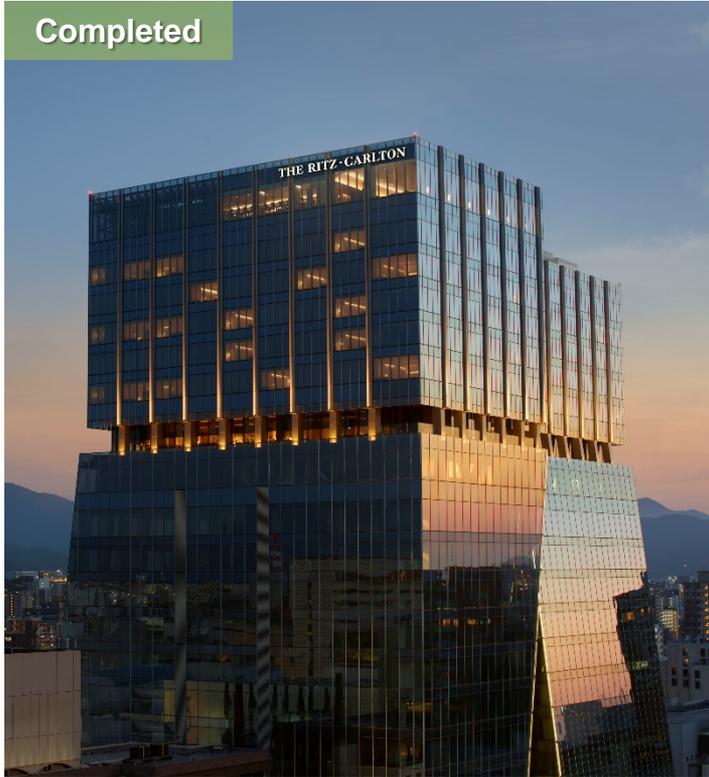
## Dividend per share and payout ratio



# Major Orders and Completed Projects

## New installations

Completed



**The Ritz-Carlton, Fukuoka  
( Fukuoka, Japan )  
8 elevators**

Ordered



**Guo Feng Jin Hai  
( Beijing, China )  
70 elevators**

Ordered



**Signature Global City  
(Gurgaon, India )  
538 elevators**

Completed



**Skyline Tower  
( New York, USA )  
11 elevators**

# Company Overview

Company:	FUJITEC CO., LTD.
Established:	February 1948 (75 years in business) (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 (78,900,000 shares issued and outstanding)
Directors	President and CEO Masayoshi Harada Nine directors (including six independent directors) Four members of Audit & Supervisory Board (including two outside members)
Number of employees	Consolidated: 11,539 (non-consolidated: 3,274)
Group companies	39, including 23 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 August 7, 2023. These forward-looking statements do not include updates or changes reflecting future events or circumstances.

August 7, 2023

# FUJITEC CO., LTD.

Financial Results Presentation for the Year Ended  
June 30, 2023 (FY2023)

