



Financial Results Presentation for the First Quarter Ended June 30, 2024 (FY2024)

August 7, 2024

FUJITEC CO., LTD.

(TSE Prime Section: 6406)



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First Quarter Ended June 30, 2024 (FY2024)

- Both sales and income increased year on year. Net sales increased 11.4% to ¥56,185 million, and operating income increased 3.9% to ¥3,971 million, **both reaching record highs for the first quarter.**
- Orders decreased 3.6% to ¥61,553 million. New Installation business orders decreased 27.8% year on year with strong growth in Japan and South Asia offset by declines in East Asia and the Americas & Europe. Aftermarket business increased 14.4% year on year, with increases in all segments.
- Sales increased significantly in Japan, South Asia, and the Americas & Europe for the New Installation business. In the Aftermarket business, sales in South Asia declined due to delays caused by customers; however, sales increased significantly in other regions.
- Operating income increased in Japan and the Americas & Europe. Profitability improved in both New Installation and Aftermarket businesses.

Highlights for FY2024 Q1

- Formulated and made management structure progress (including a new Management Committee) for Move On 5.
- Pursued a turnaround strategy in China, including structural reforms to optimize our business execution structure.
- Pursued structures to ensure growth, including a new branch in India, human resources development, etc.



Tokyu Plaza Harajuku *Harakado*
(Tokyo, Japan)

Consolidated Financial Results for the Q1 Ended June 30, 2024 (FY2024)

Earnings Highlights for FY2024 Q1

Sales and profits increased year on year, with **net sales and all profit measures reaching record highs for any first quarter**. Operating income increased, mainly due to robust sales and improved profitability in Japan.

(Rounded down to nearest million yen)

	FY2023 Q1	FY2024 Q1	YoY change (%)
Net sales	50,453	56,185	11.4
Japan	17,852	21,209	18.8
Overseas	32,601	34,975	7.3
Operating income	3,820	3,971	3.9
Ordinary income	4,571	5,380	17.7
Profit attributable to owners of the parent	3,546	3,897	9.9
Net income per share	45.48 yen	49.95 yen	—

JPY/USD ex. rate

133.17 yen

146.68 yen

Earnings by Segment for FY2024 Q1

- Sales increased in Japan, South Asia, and the Americas & Europe. In the Americas & Europe, New Installation business sales increased in all regions except Canada, and Aftermarket business sales increased in all regions. In East Asia, sales slowed due to a decrease in New Installation orders caused by the prolonged real estate slump in China.
- Operating income increased due to robust sales and improved profitability in Japan and the Americas & Europe. In East Asia, operating income declined due to lower New Installation sales in China and an increase in provision for losses on construction contracts in Hong Kong, where orders were strong. In South Asia, operating income declined in Singapore due to an increase in provision for losses on construction contracts and temporary decrease of service sales due to customer factors.

(Rounded down to nearest million yen)

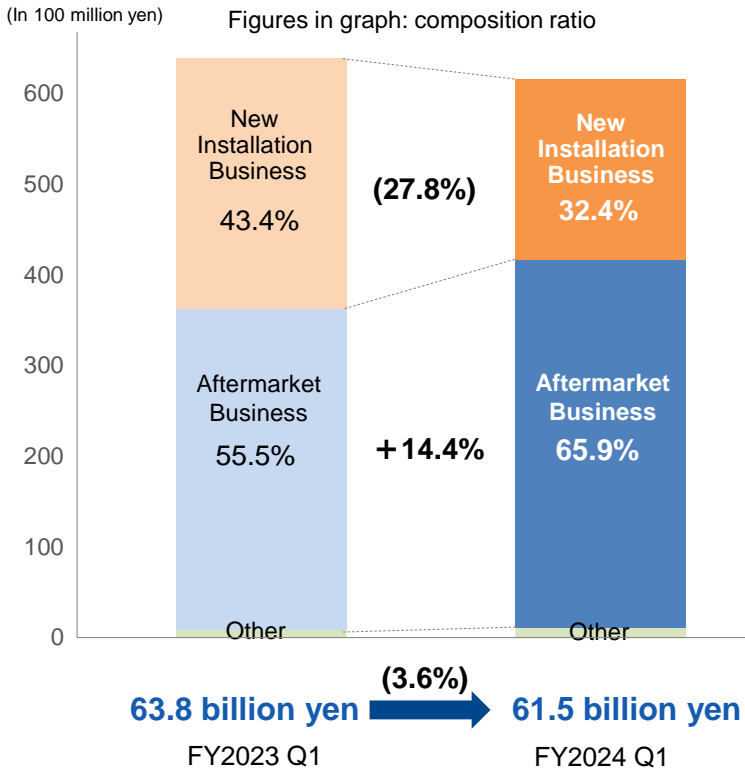
	Net sales			Operating income		
	FY2023 Q1	FY2024 Q1	Change (%)	FY2023 Q1	FY2024 Q1	Change
Japan	18,708	21,851	16.8	202	1,659	1,456
East Asia	17,615	16,067	(8.8)	1,312	370	(942)
South Asia	7,982	8,615	7.9	2,251	1,689	(561)
Americas & Europe	9,693	12,915	33.2	204	297	93
Subtotal	53,999	59,449	10.1	3,970	4,016	46
Adjustments	(3,546)	(3,264)	—	(149)	(45)	104
Total	50,453	56,185	11.4	3,820	3,971	150

Orders Received in FY2024 Q1

Orders received decreased by 3.6% year on year. New Installation business orders remained steady in Japan and South Asia, and decreased in East Asia and the Americas & Europe. Aftermarket business orders remained robust in all regions.

Orders Received, YoY Change

Figures in graph: composition ratio



New Installation Business (27.8%)

- **Japan 20.8%**
Robust increase. Orders for commercial facilities and offices grew significantly.
- **East Asia (65.7%)**
Increased in Hong Kong, but decreased in China, affected by prolonged real estate slump.
- **South Asia 38.2%**
Increased significantly in Singapore and India
- **Americas & Europe (111.2%)***
Decreased in the U.S., Canada, and the U.K.

Aftermarket Business +14.4%

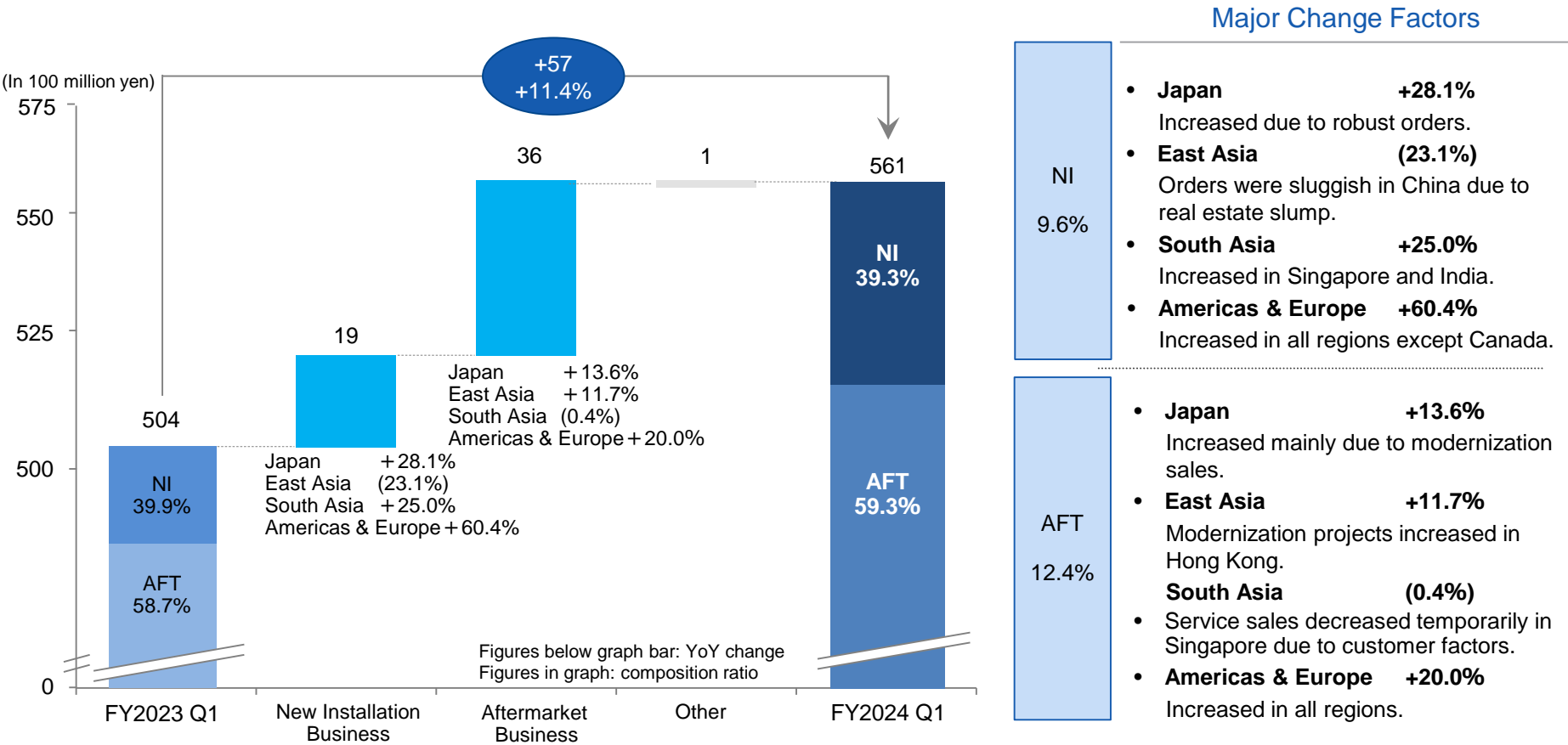
- **Japan 9.4%**
Increased due to volume growth and contract price revisions for modernization and maintenance.
- **East Asia 31.4%**
Increased significantly in Hong Kong and South Korea, increased in China and Taiwan.
- **South Asia 1.7%**
Increased slightly. Orders in India increased, but orders in Singapore were affected by the delays in service orders due to customer factors.
- **Americas & Europe 19.5%***
Increased in all regions except the U.K.

Figures: YoY change

*Corrections in accounting entries between New Installation and Aftermarket businesses for past year orders in Canada. Prior to correction, New Installation were -69.8% and Aftermarket orders were +7.2%.

Breakdown of Net Sales for FY2024 Q1

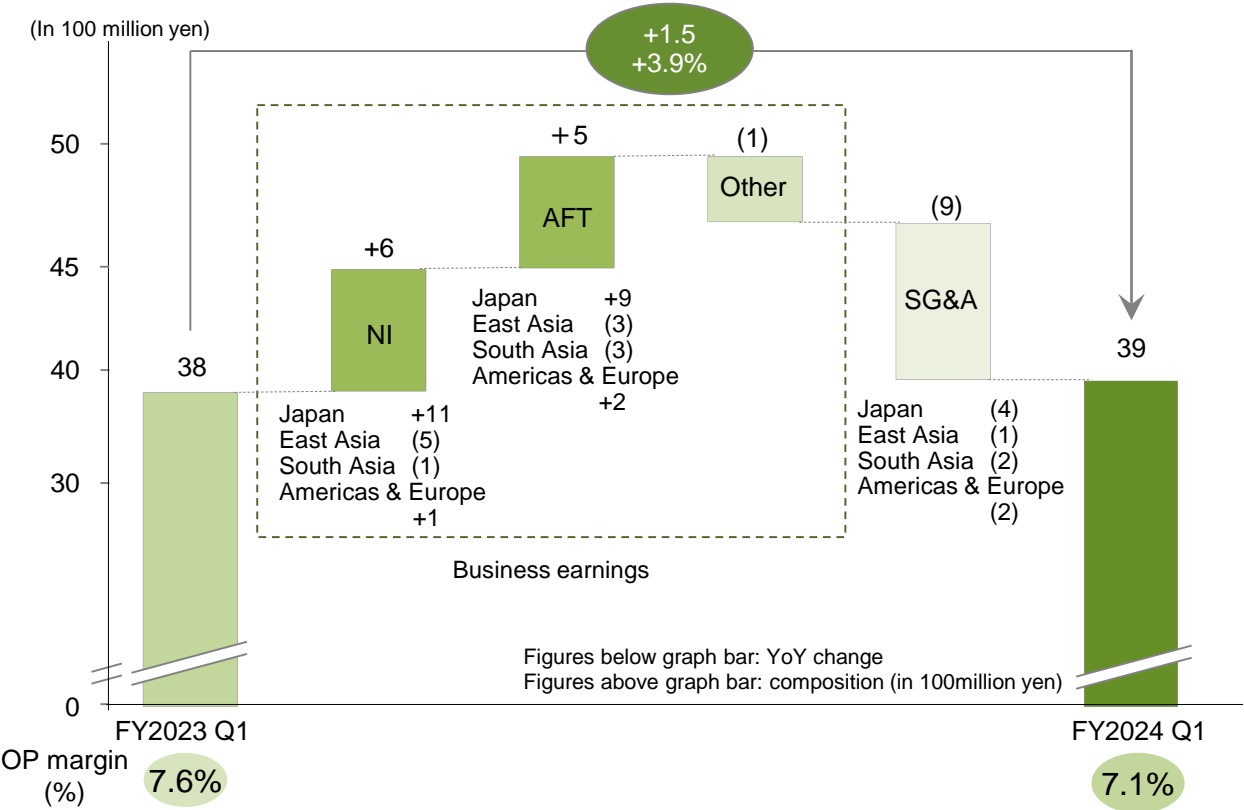
New Installation business sales increased significantly in Japan, South Asia, and the Americas & Europe. Aftermarket business sales increased in Japan, East Asia, and the Americas & Europe.



Breakdown of Operating Income for FY2024 Q1

Operating income increased in New Installation and Aftermarket businesses. In Japan, operating income increased significantly in New Installation and Aftermarket businesses due to increased net sales and improved profitability.

Major Change Factors



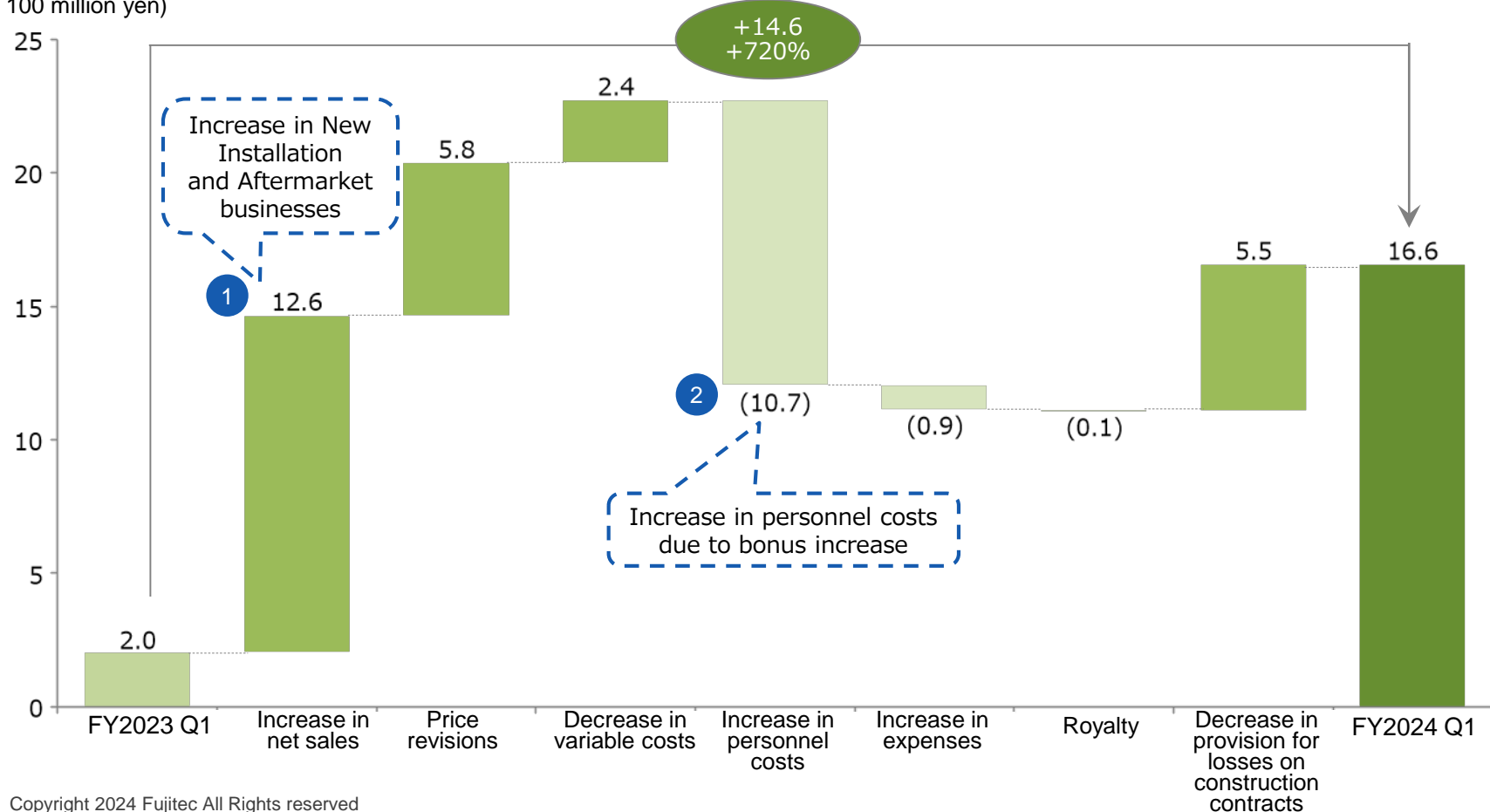
NI +6	• Japan	+11	Increased due to increased sales and price revision
	• East Asia	(5)	Decreased due to decreased new installation sales in China
	• South Asia	(1)	Decreased due to increased provision for losses on construction contracts in Singapore
	• Americas & Europe	+1	Improved profitability contributed by the U.K. and Argentina
AFT +5	• Japan	+9	Increased due to increased sales and price revision
	• East Asia	(3)	Decreased due to increased provision for losses on construction contracts in Hong Kong
	• South Asia	(3)	Affected by the delay in recognition of service sales due to customer factors
	• Americas & Europe	+2	Outsourcing costs increased in the U.S. and Canada

(In 100 million yen)

Operating Income Change Factors in FY2024 Q1: Japan

Operating income in Japan increased significantly due to top-line growth driven by increased sales and price revisions.

(In 100 million yen)



Move On 5

Mid-Term BUSINESS PLAN 2024-2028

- Announced the new mid-term business plan Move On 5 in May

Establishment of Execution and Accountability Structure for Each Initiative

- As part of the implementation structure for the new mid-term business plan Move On 5, we established 21 subcommittees based on the three pillars of the overall strategy.
- In each subcommittee, we assigned roles for owner, responsible part, and secretariate to accelerate progress.

Improvement of Progress Monitoring System

- Established a new meeting body (Management Committee) to monitor progress and issues through subcommittees and to discuss response measures.
- Management Committee members include domestic and international operating officers, regional and corporate heads, and subcommittee owners.

Three pillars of "Move On 5"

Selection and concentration of regional/business mix

- Japan Strategy
- East Asia Strategy
- China Business Turnaround
- India and South Asia Strategy
- Europe & Americas Strategy
- Strategy for other regions

High quality and high profitability

- Procurement & Supply Chain Optimization
- Standard Models Development
- Standard Methods
- Maintenance Productivity Improvement
- BPR Consideration
- SGA Reduction by Cost

Robust business foundation

- Working Capital Optimization
- Regional Supervisory Function
- R&D Function Enhancement
- ESG & Environmental Management
- Safety and Reliability Advancement
- Themes for Four headquarters

Highlights: Initiatives in China and India, etc.

Initiatives in the Chinese Market

- Business implementation and cost structure reform
 - 1) Workforce reduction in Chinese operations: Approximately 10% (about 300 employees)
 - 2) Branch network reorganization: Consolidated branches from 23 to 17
- Accelerated strategy implementation using external consultants
- Introduced agency network and incentive system in response to market changes

Business Expansion in the Indian Market

- Opened a sales office in Ahmedabad (northwestern India). We plan to increase the number of branches across India to accelerate business growth.

Human Resource Development in the Indian Market

- Fujitec India launched the human resources development organization FUJITEC JIM. Students will learn specialized skills related to elevator production, installation, and maintenance, joining Fujitec India as full-time employees after one year of training. FUJITEC JIM has been certified by the Ministry of Economy, Trade and Industry as a *Japan-style Manufacturing School* (JIM: Japan-India Institute for Manufacturing).

The *Japan-style Manufacturing School* certifies and supports human resources development organizations established by Japanese companies entering India, based on the Manufacturing Skill Transfer Promotion Program agreed upon between the leaders of Japan and India.

Construction of the Quality Lab (Tentative Name) Building Project

- To enhance quality and reduce costs further, we are building a parts analysis and evaluation center for elevators, tentatively named the Quality Lab Building Project (at headquarters) We are also building a research, development, and production site (Big Wing) in Hikone City, Shiga Prefecture, Japan. Construction is progressing as planned and is scheduled for completion in February 2025.



Left image:
Construction progress
(as of July 2024)



Right image:
Completion image

Distribution of Safety Pictograms



- We translated safety information into safety pictograms to clearly indicate the risks and precautions during work for all field engineers (24 countries and regions; 12 languages).

Reference Information

Consolidated Balance Sheet

(Rounded down to nearest million yen)

	March 31, 2024	June 30, 2024	Change	Comments
Current assets	190,484	192,162	1,677	
Cash and deposits	80,560	79,830	(730)	
Notes and accounts receivable- trade, and contract assets	85,141	84,354	(787)	Decrease in Japan
Inventory	20,918	24,113	3,195	Increase in Japan and East Asia
Other	7,653	8,231	577	
Allowance for doubtful losses	(3,789)	(4,367)	(577)	
Fixed Assets	65,917	69,658	3,740	
Property, plant and equipment	39,547	41,098	1,550	Capital investment: +1,874, Depreciation (1,130), Currency exchange, etc.: +806
Intangible fixed assets	6,036	6,197	161	
Investments and other assets	20,334	22,362	2,028	
Total assets	256,402	261,821	5,418	
Current liabilities	84,304	87,294	2,990	Advances from customers: +2,166, Provision for bonuses: +1,734
Non-current liabilities	6,921	7,196	275	
Net assets	165,177	167,329	2,152	Foreign currency translation adjustments: +6,368, Non-controlling interests: +1,076, Retained earnings: (5,465)
Shareholders' equity ratio	57.9%	57.1%	(0.8pt)	
BPS	1,901.28 yen	1,915.07 yen	13.79 yen	

New Installation

- Dogenzaka 2-Chome South District Redevelopment (Tokyo, Japan)
27 elevators, 1 escalator

New Installation

- Ching Wah Court (Hong Kong)
30 elevators

New Installation

- Contract for the purchase of elevator equipment and installation of escalators for the first stage of the Shenyang Metro Line 3 (Shenyang, China)
138 escalators*

* Upon completion of the order, the total number of escalators supplied to the city's subway will reach 339 units.

Modernization

- Inflight Catering Centre 1 (Singapore)
11 elevators



Ching Wah Court (Hong Kong)



Shenyang Metro Line 3
(Shenyang, China)

Major Completed Projects



New Installation

**Tokyu Plaza Harajuku
Harakado
(Tokyo, Japan)
6 elevators and
16 escalators**



Modernization

**Three Garden Road
(Hong Kong)
44 elevators and
10 escalators**



New Installation

**Headquarters Building of Fubon Financial Holdings
(Taiwan)
29 elevators and 4 escalators**



Modernization

**425 Lexington Avenue
(New York, US)
14 elevators**

Photos courtesy of customers

Company name	Fujitec Co., Ltd.
Established	February 1948 (Listed in First Section of the TSE in February 1974, switched to TSE Prime Market in April 2022)
Head office	Big Wing 591-1 Miyata-cho, Hikone City, Shiga Prefecture
Business	R&D, manufacture, sale, installation, and maintenance for elevators and escalators
Capital	12.533 billion yen (78,900,000 issued shares)
Officers	President and CEO Masayoshi Harada Directors: 9 (of which 6 are Outside Directors) Audit & Supervisory Board Members: 4 (of which 2 are Outside Audit & Supervisory Board Members)
Employees	Consolidated: 12,004 (non-consolidated: 3,350)
Affiliated companies	40 (of which 25 are consolidated subsidiaries) (Japan, Americas, East Asia, South Asia, Europe, Middle East)

This document contains forward-looking statements regarding Fujitec business and industry trends based on current plans, inferences, expectations, and predictions by Fujitec. These forward-looking statements are subject to various risks and uncertainties.

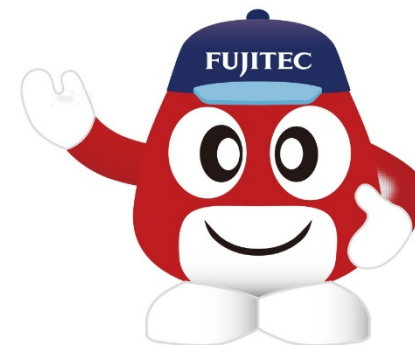
Known risks, unknown risks, uncertainties, and other factors may lead to results that differ from the forward-looking statements contained herein. Fujitec cannot guarantee the accuracy of forward-looking statements and predictions, and actual results may differ significantly from the future prospects presented herein.

All forward-looking statements in this document are made as of August 7, 2024, based on information available to Fujitec at that time. Fujitec will not update or revise any of the forward-looking statements in this document or reflect future events or circumstances in them.

August 7, 2024

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