

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.

February 6, 2025

To all parties concerned

Company: Fujitec Co., Ltd.
(Stock Code 6406)
Representative: Masayoshi Harada
President and CEO
Contact: Kosuke Sato
Director, Senior Executive Operating Officer,
General Manager of Finance HQ
(TEL 072-622-8151)

Notice Concerning Reversal of Deferred Tax Assets and Revisions to Earnings Forecasts

Fujitec Co., Ltd. ("the Company") recorded a reversal of deferred tax assets during the consolidated third quarter of the fiscal year ending March 31, 2025.

The Company also announced that the board of directors resolved at a meeting held February 6, 2025, to revise earnings forecasts compared with the figures announced on May 14, 2024.

1. Reversal of Deferred Tax Assets

Based on a careful review of the recoverability of deferred tax assets in light of the earnings projections of the Company's Chinese subsidiary, the Company decided to reverse the deferred tax assets in the third quarter of the fiscal year ending March 31, 2025, recording 1,558 million yen in deferred tax expense in the consolidated financial statements.

The deferred tax expense referenced above is reflected in the *Consolidated Business Results for the Third Quarter Ended December 31, 2024 (Japan GAAP)*, released today.

2. Revision of Consolidated Earnings Projections for the Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Net income per share |
|---|------------------------|-----------------------|-----------------------|---|----------------------|
| Previous Forecast (A) (Published May 14, 2024) | Million yen 245,000 | Million yen 18,100 | Million yen 20,000 | Million yen 16,000 | Yen 205.05 |
| Revised Forecast (B) | 242,000 | 16,200 | 19,500 | 14,200 | 181.95 |
| Change (B-A) | (3,000) | (1,900) | (500) | (1,800) | — |
| Change (%) | (1.2) | (10.5) | (2.5) | (11.3) | — |
| (Reference) Prior-Year Results (Fiscal Year Ended March 31, 2024) | 229,401 | 14,571 | 18,717 | 17,830 | 228.55 |

(Millions of yen)

| | Net sales | | | Operating income (loss) | | |
|-------------------------|-----------------------|----------------------|------------|-------------------------|----------------------|--------------|
| | Previous forecast (A) | Revised forecast (B) | Change (%) | Previous forecast (A) | Revised forecast (B) | Change (B-A) |
| Japan | 91,000 | 93,000 | 2.2 | 6,500 | 8,800 | 2,300 |
| East Asia | 79,000 | 71,000 | (10.1) | 3,900 | (800) | (4,700) |
| South Asia | 37,000 | 39,000 | 5.4 | 5,800 | 6,300 | 500 |
| The Americas and Europe | 52,000 | 53,000 | 1.9 | 1,900 | 1,900 | — |
| Subtotal | 259,000 | 256,000 | (1.2) | 18,100 | 16,200 | (1,900) |
| Adjustments | (14,000) | (14,000) | — | — | — | — |
| Total | 245,000 | 242,000 | (1.2) | 18,100 | 16,200 | (1,900) |

Reasons for the Revisions

While the Company expects net sales to increase in Japan, South Asia, and The Americas and Europe compared with the original forecast, we expect net sales in East Asia to be 3.0 billion yen lower, coming in a 242.0 billion yen. This revision is due to a decline in the New Installation Business stemming from the real estate recession in China.

The Company expects operating income to increase in Japan due to sales price revisions and other factors. At the same time, we expect operating income to decrease in East Asia due to the impact of lower unit sales in the New Installation Business in China and lower sales unit prices. Further, the Company recorded an additional allowance for doubtful accounts in connection with a revision of recognition standards associated with the deteriorating real estate market in China. We expect the decrease in ordinary income to be narrower than originally forecast due to factors including interest income owing to rising interest rates and foreign exchange gains stemming from the weak yen. At the same time, profit attributable to owners of parent will likely decrease due to restructuring costs associated with headcount reductions in China and the reversal of deferred tax assets. As a result, we revised forecasts for operating income, ordinary income, and profit attributable to owners of parent to 16.2 billion yen, 19.5 billion yen, and 14.2 billion yen, respectively.

The year-end dividend forecast for the current period remains unchanged from the 90 yen per share as announced on May 14, 2024, since the downward revision to the above earnings forecasts is due mainly to the impact of temporary expenses.

(Note) The earnings forecasts above are based on information currently available to the Company and certain assumptions that the Company deemed 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.

End