

Financial Report 2025

For the Year Ended
March 31, 2025

Fujitec Co., Ltd.

1. Consolidated Financial Statements

(1) [Consolidated Balance Sheets]

a. [Consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	80,560	82,942
Notes and accounts receivable-trade, and contract assets	*1 85,141	*1 90,343
Merchandise and finished goods	3,672	4,018
Work in process	4,322	3,023
Raw materials and supplies	12,922	14,409
Other	7,653	6,519
Allowance for doubtful accounts	(3,789)	(5,833)
Total current assets	190,484	195,424
Non-current assets		
Property, plant and equipment		
Buildings and structures	*2 41,351	*2 47,742
Accumulated depreciation	(21,507)	(23,433)
Buildings and structures, net	19,844	24,308
Machinery and equipment	*2 17,014	*2 17,811
Accumulated depreciation	(11,463)	(11,837)
Machinery and equipment, net	5,551	5,973
Tools, furniture and fixtures	10,529	11,295
Accumulated depreciation	(7,660)	(8,097)
Tools, furniture and fixtures, net	2,869	3,198
Land	*2 7,256	*2 7,280
Leased assets	4,219	4,933
Accumulated depreciation	(1,839)	(2,216)
Leased assets, net	2,380	2,716
Construction in progress	1,645	847
Total property, plant and equipment	39,547	44,325
Intangible assets		
Goodwill	2,210	1,762
Other	3,826	4,040
Total intangible assets	6,036	5,803
Investments and other assets		
Investments securities	*3 11,770	*3 7,844
Long-term loans receivable	1,171	1,422
Net defined benefit asset	980	2,139
Deferred tax assets	3,580	2,558
Other	*3 3,505	*3 3,526
Allowance for doubtful accounts	(674)	(785)
Total investments and other assets	20,334	16,705
Total non-current assets	65,917	66,833
Total assets	256,402	262,257

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,181	19,380
Electronically recorded obligations-operating	4,116	3,493
Short-term debt	*2 5,733	*2 4,126
Current portion of long-term debt	—	*2 45
Accrued income taxes	4,431	3,616
Provision for bonuses	3,173	4,071
Provision for director bonuses	57	50
Provision for losses on construction contracts	10,227	9,071
Provision for warranties for completed construction	2,234	1,945
Provision for shareholder benefit program	127	71
Advances from customers	*1 20,999	*1 24,089
Other	15,021	17,275
Total current liabilities	84,304	87,238
Non-current liabilities		
Long-term debt	*2 128	*2 119
Deferred tax liabilities	213	135
Net defined benefit liability	4,595	1,977
Asset retirement obligations	53	54
Other	1,931	2,097
Total non-current liabilities	6,921	4,383
Total liabilities	91,225	91,622
Net assets		
Shareholders' equity		
Paid-in capital	12,533	12,533
Additional paid-in capital	14,565	14,559
Retained earnings	111,405	110,826
Treasury stock	(2,155)	(2,113)
Total Shareholders' equity	136,349	135,806
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,806	2,466
Deferred gains or losses on hedges	(125)	(2)
Foreign currency translation adjustments	7,473	16,643
Remeasurements of defined benefit plans	(146)	716
Total accumulated other comprehensive income	12,008	19,824
Stock acquisition rights	35	25
Non-controlling interests	16,783	14,979
Total net assets	165,177	170,635
Total liabilities and net assets	256,402	262,257

b. [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]
[Consolidated Statements of Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	*1 229,401	*1 241,253
Cost of sales	*3,*7 180,994	*3,*7 186,816
Gross profit	48,407	54,436
Selling, general and administrative expenses	*2,*3 33,835	*2,*3 38,265
Operating income	14,571	16,171
Other income		
Interest income	2,429	2,489
Dividend income	261	290
Foreign exchange gains	752	133
Rent income	189	196
Miscellaneous income	999	604
Total other income	4,632	3,715
Other expenses		
Interest expenses	387	404
Provision of allowance for doubtful accounts	13	—
Loss on the net monetary position	—	347
Miscellaneous loss	86	268
Total other expenses	486	1,019
Ordinary income	18,717	18,866
Special gain		
Gain on sales of non-current assets	*4 5,363	*4 72
Gain on sales of investment securities	466	2,395
Total special gain	5,830	2,467
Special loss		
Loss on sales of property, plant and equipment	*5 4	*5 2
Loss on retirement of property, plant and equipment	*6 19	*6 18
Impairment loss	*8 607	*8 412
Business restructuring expenses	—	*9 924
Total special loss	631	1,358
Profit before income taxes	23,916	19,975
Income taxes expense	4,775	5,779
Income taxes for prior periods	*10 605	—
Deferred taxes expense	148	1,648
Total income taxes	5,529	7,428
Profit	18,387	12,547
Profit (loss) attributable to non-controlling interests	556	(1,966)
Profit attributable to owners of parent	17,830	14,514

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	18,387	12,547
Other comprehensive income		
Valuation difference on available-for-sale securities	2,379	(2,339)
Deferred gains or losses on hedges	2	143
Foreign currency translation adjustments	6,209	10,495
Remeasurements of defined benefit plans	622	862
Total other comprehensive income	*1,*2 9,214	*1,*2 9,162
Comprehensive income	27,601	21,710
Comprehensive income attributable to:		
Owners of parent	26,209	22,328
Non-controlling interests	1,391	(617)

c. [Consolidated Statements of Changes in Shareholders' Equity]

Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(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
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
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

Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(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	14,565	111,405	(2,155)	136,349
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Dividends from surplus			(15,216)		(15,216)
Changes in scope of consolidation					-
Effect of hyperinflation			122		122
Profit attributable to owners of parent			14,514		14,514
Purchases of treasury stock				(0)	(0)
Disposal of treasury stock		(5)		41	35
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	-	(5)	(579)	41	(543)
Balance at the end of the current fiscal year	12,533	14,559	110,826	(2,113)	135,806

	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	4,806	(125)	7,473	(146)	12,008	35	16,783	165,177
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								0
Dividends from surplus								(15,216)
Changes in scope of consolidation								-
Effect of hyperinflation								122
Profit attributable to owners of parent								14,514
Purchases of treasury stock								(0)
Disposal of treasury stock								35
Net changes of items other than shareholders' equity	(2,339)	123	9,170	862	7,816	(10)	(1,804)	6,001
Total changes during the current fiscal year	(2,339)	123	9,170	862	7,816	(10)	(1,804)	5,458
Balance at the end of the current fiscal year	2,466	(2)	16,643	716	19,824	25	14,979	170,635

d. [Consolidated Statements of Cash Flows]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	23,916	19,975
Depreciation and amortization	4,421	4,706
Impairment loss	607	412
Increase (decrease) in allowance for doubtful accounts	343	1,866
Increase (decrease) in provision for bonuses to employees	490	810
Increase (decrease) in provision for loss on construction contracts	1,260	(1,793)
Interest and dividend income	(2,690)	(2,780)
Interest expenses	387	404
Decrease (increase) in notes and accounts receivable-trade	(5,323)	334
Decrease (increase) in inventories	1,065	1,144
Increase (decrease) in notes and accounts payable-trade	(1,415)	(1,513)
Loss (gain) on sales of investment securities	(466)	(2,395)
Increase (decrease) in advances received	(2,277)	1,483
Loss (gain) on sale and retirement of non-current assets	(5,340)	(51)
Increase (decrease) in net defined benefit liability	180	63
Contribution to the retirement benefit trust	—	(2,500)
Other, net	4,270	1,881
Subtotal	19,428	22,050
Income taxes paid	(1,930)	(6,647)
Net cash provided by (used in) operating activities	17,498	15,402
Cash flows from investing activities		
Payments into time deposits	(23,659)	(25,579)
Proceeds from withdrawal of time deposits	19,697	42,184
Purchase of property, plant and equipment	(2,970)	(6,165)
Proceeds from sales of property, plant and equipment	74	184
Purchase of investment securities	(128)	(16)
Proceeds from sales of investment securities	689	3,016
Purchase of intangible assets	(241)	(294)
Proceeds from sale of intangible assets	5,405	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(528)	—
Collection of loans receivable	81	2
Interest and dividends received	2,161	3,233
Other, net	(147)	(51)
Net cash provided by (used in) investing activities	433	16,514

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,457)	(1,810)
Proceeds from long-term borrowings	27	48
Repayments of long-term borrowings	(136)	—
Purchase of treasury shares	(1)	(0)
Interest paid	(339)	(341)
Cash dividends paid	(5,851)	(15,205)
Dividends paid to non-controlling interests	(595)	(1,168)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(254)	(2)
Other, net	(496)	(791)
Net cash provided by (used in) investing activities	(12,104)	(19,270)
Effect of exchange rate change on cash and cash equivalents	1,598	3,103
Net increase (decrease) in cash and cash equivalents	7,424	15,750
Cash and cash equivalents at beginning year	31,463	38,987
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	99	—
Cash and cash equivalents at end of year	*1 38,987	*1 54,738

[Notes to consolidated financial statements]

(Material basis for preparing consolidated financial statements)

1. Scope of consolidation

(a) Number of consolidated subsidiaries: 24

Major consolidated subsidiaries:

Fujitec America, Inc. (U.S.A.)

Fujitec Singapore Corp. Ltd. (Singapore)

Huasheng Fujitec Elevator Co., Ltd. (China)

Fujitec (HK) Co. Ltd. (Hong Kong)

(b) Major non-consolidated subsidiaries

Major non-consolidated subsidiaries

Fujitec Saudi Arabia Co., Ltd. (Saudi Arabia)

(Reasons for exclusion from the scope of consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation because they are small in scale and combined total assets, net sales, net income/loss (the Company's ownership percentage), and retained earnings (the Company's ownership percentage) of said subsidiaries do not have a material impact on the consolidated financial statements.

2. Application of the equity method

(a) Non-consolidated subsidiaries accounted for under the equity method: 0 company

(b) Affiliates accounted for under the equity method: 0 company

(c) Non-consolidated subsidiaries not accounted for by the equity method (Fujitec Saudi Arabia Co., Ltd. and others) and affiliated company (Toyo Elevator Co., Ltd.) are excluded from the scope of equity method accounting as net income or loss (as calculated by the equity method) and retained earnings (as calculated by the equity method) have a minimal effect on the consolidated financial statements and are not significant as a whole.

3. Fiscal years of consolidated subsidiaries

The fiscal year end of all consolidated subsidiaries is December 31.

In preparing the consolidated financial statements, the Company use the financial statements of these subsidiaries as of that date.

Any adjustments necessary for consolidation are made for significant transactions that occurred between that date and the consolidated fiscal year-end.

4. Summary of Significant accounting policies

(a) Valuation standards and methods for significant assets

i. Valuation standards and methods for securities

Stock of non-consolidated subsidiaries and affiliated companies...Cost method based on the moving average method

Other securities

Items other than stocks, etc., with no market price: Fair value method (valuation differences charged or credited directly to net assets, and cost of sales is calculated by the moving-average method)

Stocks, etc., with no market price: Cost method based on the moving average method

ii. Valuation standards and methods for derivatives: Fair value method

iii. Valuation standards and methods for inventories:

Mainly, the company calculates costs via the specific identification method or weighted average method

(Values on the balance sheet are calculated via the book value reduction method based on decreased profitability.)

(b) Depreciation/amortization method for significant depreciable/amortizable assets

i. Property, plant and equipment (excluding leased assets)

Mainly, the company uses the straight-line method.

Note that the most common useful economic life periods are as follows.

Buildings and structures	3-60 years
Machinery and equipment	2-20 years
Tools, furniture and fixtures	2-20 years

ii. Intangible assets (excluding leased assets)

The company uses the straight-line method.

Note that for internal-use software, the Company uses the straight-line method based on the period of internal use (5 years).

iii. Leased assets

Lease assets related to finance lease transactions without transfer of ownership

The Company uses the straight-line method, with the lease period as the useful economic life and zero residual value.

Note that some overseas subsidiaries prepare financial statements based on IFRS or U.S. GAAP, and apply IFRS 16 (Leases) or ASU 2016-02 (Leases). Under IFRS 16 or ASU 2016-02 for lessees, in principle, all leases are recorded as assets and liabilities on the balance sheet.

(c) Standards for the recognition of significant allowances

i. Allowance for doubtful accounts

To prepare for bad debt expenses accounts receivable, loans receivable, etc., the Company provides an allowance for doubtful accounts based on the historical write-off rate for ordinary receivables, and the estimated amount of irrecoverable debt is booked based on the recoverability of individual cases for specified receivables such as debt with a possibility of default.

ii. Provision for bonuses

The company provides an allowance for the payment of bonuses to employees based on the estimated payment amount.

iii. Provision for director bonuses

The company provides an allowance for the payment of bonuses to directors based on the estimated payment amount.

iv. Provision for losses on construction contracts

To provide for future losses on construction contracts, the Company records estimated losses on construction contracts that have not been delivered as of the end of the current consolidated fiscal year, for which losses are expected and the amount of said losses can be reasonably estimated.

v. Provision for warranties for completed construction

To provide for warranty expenses related to completed construction, the Company estimates the amount of warranty expenses expected to be incurred in the future and records an amount representing a percentage of sales of completed construction.

vi. Provision for shareholder benefit program

The Company records an allowance for expenses expected to be incurred under the shareholder benefit program.

(d) Accounting treatment for retirement benefits

To provide for the payment of retirement benefits to employees, the Company records an amount equal to the projected retirement benefit obligation less pension assets (When pension assets exceed retirement benefit obligation, the excess is recorded as net defined benefit asset.), based on the estimated amount of retirement benefits as of the end of the current consolidated fiscal year.

i. Method of attributing projected retirement benefits to fiscal periods

When calculating retirement benefit obligations, the Company uses a method of attributing retirement benefits to the period through the end of the current consolidated fiscal year based on the benefit calculation method.

ii. Method of amortizing actuarial gains and losses and prior service cost

Actuarial gains and losses are calculated under the straight-line method over a specified number of years (10 years) within

the average remaining service period of employees as of the consolidated fiscal year in which the difference arose, and prorated and expensed in the consolidated fiscal year following the year in which such differences occurred.

Prior service costs are amortized by the straight-line method over a specified number of years (10 years) within the average remaining service period of employees at the time the cost is incurred.

Unrecognized actuarial gains and losses and unrecognized prior service cost are adjusted for tax effect, and then included in net assets as remeasurements of defined benefit plans under other accumulated comprehensive income.

Certain consolidated subsidiaries adopt a simplified method for the calculation of net defined benefit liability and retirement benefit expenses, using the amount payable at the end of the fiscal year for retirement benefits as the retirement benefit obligation.

(e) Basis for recognition of significant revenues and expenses

The major performance obligations in the principal operations of the Company and its consolidated subsidiaries related to revenues arising from contracts with customers and the general timing at which such performance obligations are satisfied (usual timing for revenue recognition) are as follows.

i. New installation work

The Company performs new installation work on elevators, escalators, and other equipment. The Company recognizes revenue for such contracts based on the percentage of completion related to the satisfaction of performance obligations over a specified period of time. This is a contract whereby the construction work in question creates an asset that cannot be converted to an alternative use and the contractor has an enforceable right to receive consideration for the portion of the work completed. Since costs are incurred in accordance with the actual progress of construction, the Company has determined that it can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the costs incurred. The Company measures progress based on the percentage of construction costs incurred by the end of each reporting period compared with the total expected construction costs. In addition, certain foreign subsidiaries recognize revenues from sales of equipment and installation of equipment under an integrated contract at a single point in time when the equipment is delivered to the customer, and recognize revenues related to the installation of the equipment based on percentage of completion related to the satisfaction of performance obligations over a specified period of time. This is a contract whereby the construction work in question creates an asset that cannot be converted to an alternative use and the contractor has an enforceable right to receive consideration for the portion of the work completed. Since costs are incurred in accordance with the actual progress of construction, the Company has determined that it can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the costs incurred. The Company measures progress based on the percentage of construction costs incurred by the end of each reporting period compared with the total expected construction costs.

ii. Modernization projects

The Company performs modernization work for elevators, escalators, and other equipment. The Company recognizes revenue for such contracts based on the percentage of completion related to the satisfaction of performance obligations over a specified period of time. This is a contract whereby the construction work in question creates an asset that cannot be converted to an alternative use and the contractor has an enforceable right to receive consideration for the portion of the work completed. Since costs are incurred in accordance with the actual progress of construction, the Company has determined that it can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the costs incurred. The Company measures progress based on the percentage of construction costs incurred by the end of each reporting period compared with the total expected construction costs.

iii. Maintenance

The Company provides maintenance services for elevators, escalators, and other equipment. The Company recognizes revenue for such maintenance contracts based on the percentage of completion related to the satisfaction of performance obligations over a specified period of time. The Company measures progress based on an elapsed period to charge a fixed amount according to the duration of services rendered.

iv. Repairs

The Company performs repair work on elevators, escalators, and other equipment. The Company recognizes revenue for such contracts at the point in time in which work is completed.

(f) Standards for translating material foreign currency denominated assets or liabilities into Japanese currency

Receivables and payables denominated in foreign currencies are converted into yen at the spot exchange rate on the balance sheet date and translation differences posted as profit or loss for the current period.

The assets and liabilities of overseas subsidiaries are converted to yen at the spot exchange rate on the balance sheet date, while related revenues and expenses are converted to yen at the average rate during the period. These translation differences are posted as foreign currency translation adjustments or non-controlling interests under net assets.

However, income and expenses of foreign subsidiaries in hyperinflationary economies are translated into yen at the spot exchange rate on the balance sheet date in order to apply IAS 29, "Financial Reporting in Hyperinflationary Economies".

In the event of significant changes in exchange rates between the balance sheet date of foreign subsidiaries and the consolidated balance sheet date, balance sheet items of the foreign subsidiaries are translated into yen at the exchange rates prevailing as of the consolidated balance sheet date.

(g) Important hedge accounting methods

i. Hedge accounting method

As a rule, the Company uses deferral hedge accounting.

ii. Hedge accounting methods and hedged items

<u>Hedge accounting methods</u>	<u>Hedged items</u>
Forward exchange contracts	Expected foreign-currency transactions

iii. Hedging policy

The finance division of each company enters into derivative transactions for the purpose of hedging risks, hedging within a certain range the interest rate fluctuation risks and foreign exchange fluctuation risks associated with hedged items.

iv. Evaluation of hedge effectiveness

The Company compares cumulative cash flow variations for hedged items and hedge accounting methods with market fluctuation on a semi-annual basis, and assesses the effectiveness of hedges based on the amounts of variation in both cases.

(h) Goodwill amortization method and period

The Company amortizes goodwill on a straight-line method between 5 and 14 years.

(i) Scope of funds reported on the consolidated statement of cash flows

The company reports cash on hand, deposits drawable at will, deposits readily convertible to cash, and price change-insensitive short-term investments whose redemption period is within three months.

(j) Other significant matters for preparing consolidated financial statements

Not applicable.

(Significant accounting estimates)

The following are estimated items expected to have a particularly large impact on the Company's consolidated financial statements in the following fiscal year.

Provision for losses on construction contracts

(1) Amount recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Provision for losses on construction contracts	10,227	9,071

(2) Information related to details of significant accounting estimates for specific items

The Group recognizes estimated losses on undelivered construction contracts at the end of the consolidated fiscal year when it is probable that the total construction costs, of such construction will exceed the amount of the revenue and when the expected loss can be reasonably estimated. Calculations of the total construction costs are based on information available, including contract details and past cost performance of identical models. The assumptions used in the calculations are subject to continuous verification and revisions of estimates, since assumptions vary due to various factors, including contract changes, construction conditions, and trends in material and subcontracting costs.

Revisions to these estimates and actual production costs that differ from estimates may have a significant impact on the provision for losses on construction contracts and gross profit in the following consolidated fiscal year.

Allowance for doubtful accounts

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Allowance for doubtful accounts as recorded in the consolidated financial statements for Huasheng Fujitec Elevator Co., Ltd. and Shanghai Huasheng Fujitec Escalator Co., Ltd. are as follows.

(Millions of yen)

	As of March 31, 2024	As of March, 31, 2025
Allowance for doubtful accounts	2,522	4,653

(2) Information related to details of significant accounting estimates for specific items

To prepare for potential credit losses on receivables, the Group provides an allowance for doubtful accounts based on the historical write-off rate for ordinary receivables. The estimated amount of unrecoverable debt is recorded as allowance for doubtful accounts based on the recoverability of individual cases for specified receivables such as debt with a possibility of default. Among these, the consolidated subsidiaries Huasheng Fujitec Elevator Co., Ltd. and Shanghai Huasheng Fujitec Escalator Co., Ltd. manufacture, sell, install, maintain, and repair elevators and related equipment primarily for domestic customers in China. These subsidiaries estimate recoverability for each group of receivables categorized by length of outstanding period and record an allowance for doubtful accounts accordingly.

In calculating the allowance for doubtful accounts, the Group estimates the amount of uncollectible receivables based on historical credit loss experience and other relevant factors. However, If the prolonged downturn in the Chinese real estate sector results in changes to customer credit conditions, the revised estimates may significantly affect the allowance for doubtful accounts and operating income in the following consolidated fiscal year.

Impairment of fixed assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Fixed assets as recorded in the consolidated financial statements for Huasheng Fujitec Elevator Co., Ltd. are as follows.

(Millions of yen)

	As of March 31, 2024	As of March, 31, 2025
Property, plant and equipment	2,074	1,930
Intangible assets	198	196

(2) Details regarding significant accounting estimates for the identified item

The Group assesses indicators of impairment by using asset groups that generate cash flows largely independent from those of other assets or asset groups, and by considering factors including the profitability and cash flow status from operating activities, future business plans, and the extent of changes in the operating environment.

When the Group identifies an asset or asset group with indicators of impairment and determines that undiscounted future cash flows fall below the carrying amount of the asset or asset group, the Group reduces the carrying amount to the recoverable amount and recognizes the difference as an impairment loss. The recoverable amount is calculated as the higher of value in use and net selling price.

The Group calculates net selling price based on valuations prepared in accordance with real estate appraisal standards. However, the recoverable amount of fixed assets held by Huasheng Fujitec Elevator Co., Ltd., a consolidated subsidiary, may also change if trends in the Chinese real estate market lead to changes in net selling price. Such changes may significantly affect the amount of fixed assets and profit before income taxes in the following consolidated fiscal year.

(Changes in Accounting Policies)

(Adoption of Accounting Standard for Current Income Taxes)

The Company adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; "Revised Accounting Standard 2022," below) in the beginning of the current consolidated fiscal year.

The revised classifications for income taxes (taxes on other comprehensive income) follows the transitional treatment detailed in the provision of paragraph 20-3 of Revised Accounting Standard 2022 and the transitional treatment detailed in the provision of paragraph 65-2(2) of Guidance on Accounting for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; "Revised Guidance 2022," below). The adoption of this accounting standard, etc., has no effect on the consolidated financial statements or per-share information of the Company.

Further, the Company has adopted Revised Guidance 2022 from the beginning of the current consolidated fiscal year for the revised treatment of consolidated financial statements when gains or losses arising from the sale of shares, etc., in subsidiaries between consolidated companies is deferred for tax purposes. The Company applied this change in accounting policy retrospectively, and we have prepared the consolidated financial statements for the previous consolidated fiscal year on this retrospective basis. The adoption of the Revised Guidance 2022 has no effect on the consolidated financial statements of the Company for the previous fiscal year.

(Unapplied accounting standards)

· Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)

· Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

Other revisions to other related corporate accounting standards, implementation guidance, practical solutions, and transition guidance

(1) Overview

These standards establish requirements for lessees to recognize assets and liabilities for all leases, in line with international accounting standards.

(2) Scheduled date of application

Scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Effect of application of the aforementioned accounting standards

As of the preparation of these consolidated financial statements, the amount of impact is under evaluation.

(Supplemental Information)

(Hyperinflation Accounting)

The Group 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.

(Consolidated balance sheets)

*1 The amount of receivables and contract assets from contracts with customers among notes and account receivable-trade and contract assets, and the amount of contract liabilities among advances from customers are as described under the Notes to Consolidated Financial Statements (revenue recognition) 3.(1) Balance of contract assets, contract liabilities, etc..

*2 Collateral assets and secured debt

The following describes assets pledged as collateral and secured debts.

	(Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Buildings and structures	2,292	2,158
Machinery and equipment	58	41
Land	295	310
Total	2,646	2,511

	(Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Short-term debt	369	771
Current portion of long-term debt	-	29
Long-term debt	91	119

*3 The following describes items related to non-consolidated subsidiaries and affiliated companies.

	(Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Investments securities (stock)	846	875
Investments and other assets, other (investments in capital)	708	708

(Consolidated statements of income)

*1 Revenues arising from contracts with customers

The Company do not separately provide revenues as revenues arising from contracts with customers and other revenues. The amounts of revenues arising from contracts with customers are presented in Notes to consolidated financial statements (revenue recognition) 1. Disaggregation of revenues arising from contracts with customers.

*2 The following describes the major components of selling, general and administrative expenses.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Salaries and allowances	12,559	13,320
Provision for bonuses	2,274	3,334
Provision for director bonuses	47	50
Retirement benefit expenses	597	605
Provision of allowance for doubtful accounts	611	2,379
Provision of allowance for shareholder benefits	127	71

*3 Total research and development expenses included in general and administrative expenses and manufacturing expenses for the period under review are as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
	2,974	3,161

*4 The details of gain on sales of non-current assets are as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Machinery and equipment	5	21
Tools, furniture and fixtures	0	0
Leased assets	28	50
Other (Intangible assets)	5,330	-
Total	5,363	72

*5 The details of loss on sales of non-current assets are as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Buildings and structures	-	1
Machinery and equipment	4	1
Tools, furniture and fixtures	0	-
Land	-	0
Total	4	2

*6 The details of loss on retirement of non-current assets are as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Buildings and structures	1	2
Machinery and equipment	4	9
Tools, furniture and fixtures	10	7
Leased assets	-	0
Demolition and removal costs	3	-
Total	19	18

*7 The provision for loss on construction contracts included in cost of sales is as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
	10,188	5,447

*8 Impairment loss

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Significant impairment losses are as follows

Place	Usage	Class	Impairment loss (millions of yen)
India	-	Goodwill	464

The Group's assets are grouped based on management accounting categories in which profit and loss are continuously monitored.

The Group reduced the carrying value of goodwill arising from the acquisition of Express Lifts Limited (currently Fujitec Express Limited) to the recoverable amount after reviewing the discount rate and other factors. The Company recorded the reduction as impairment loss under special loss. The recoverable amount is measured from value in use, which is calculated by discounting future cash flows at a rate of 15.2%.

Impairment losses other than the above are not significant and are therefore omitted.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Significant impairment losses are as follows

Place	Usage	Class	Impairment loss (millions of yen)
India	-	Goodwill	326

The Group's assets are grouped based on management accounting categories in which profit and loss are continuously monitored.

The Group reduced the carrying value of goodwill arising from the acquisition of Express Lifts Limited (currently Fujitec Express Limited) to the recoverable amount after reviewing the discount rate and other factors. The Company recorded the reduction as impairment loss under special loss. The recoverable amount is measured from value in use, which is calculated by discounting future cash flows at a rate of 30.6%. The discount rate reflects the uncertainty of future conditions.

Impairment losses other than the above are not significant and are therefore omitted.

*9 Business restructuring expenses

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Economic compensation paid to employees in connection with the restructuring of Huasheng Fujitec Elevator Co., Ltd., a consolidated subsidiary of the Company

*10 Income taxes for prior periods

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

As a result of an income tax audit conducted for taxable years from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2023, the Company recorded 605 million yen in income taxes for prior periods.

(Consolidated statements of comprehensive income)

*1 Reclassifications and adjustments related to other comprehensive income

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Valuation difference on available-for-sale securities		
Gains (losses) arising during the year	3,796	(941)
Reclassifications and adjustments	(466)	(2,395)
Total	3,329	(3,336)
Deferred gains or losses on hedges		
Gains (losses) arising during the year	15	151
Reclassifications and adjustments	(12)	(7)
Total	2	143
Foreign currency translation adjustments		
Gains (losses) arising during the year	6,209	10,495
Reclassifications and adjustments	-	-
Total	6,209	10,495
Remeasurements of defined benefit plans		
Gains (losses) arising during the year	704	1,138
Reclassifications and adjustments	240	176
Total	945	1,314
Total before income taxes and tax effect adjustments	10,486	8,617
Income taxes and tax effect	(1,272)	545
Total other comprehensive income	9,214	9,162

*2 Income taxes and tax effect related to other comprehensive income

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Valuation difference on available-for-sale securities		
Before income taxes and tax effect adjustments	3,329	(3,336)
Income taxes and tax effect	(950)	997
After income taxes and tax effect adjustments	2,379	(2,339)
Deferred gains or losses on hedges		
Before income taxes and tax effect adjustments	2	143
Income taxes and tax effect	-	-
After income taxes and tax effect adjustments	2	143
Foreign currency translation adjustments		
Before income taxes and tax effect adjustments	6,209	10,495
Income taxes and tax effect	-	-
After income taxes and tax effect adjustments	6,209	10,495
Remeasurements of defined benefit plans		
Before income taxes and tax effect adjustments	945	1,314
Income taxes and tax effect	(322)	(452)
After income taxes and tax effect adjustments	622	862
Total other comprehensive income		
Before income taxes and tax effect adjustments	10,486	8,617
Income taxes and tax effect	(1,272)	545
After income taxes and tax effect adjustments	9,214	9,162

(Consolidated statements of change in shareholders' equity)

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1. Issued shares

Class of stock	Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)
Common stock (thousand shares)	78,900	-	-	78,900

2. Treasury stock

Class of stock	Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)
Common stock (thousand shares)	927	0	58	869

(Note) The number of common shares held as treasury stock as of the end of the current fiscal year consists of 0 shares from fractional purchases and 869,000 shares from share buybacks.

(Summary of reasons for change)

The following provides details of increases and decreases.

Increase due to purchase of fractional shares	0 thousand shares
Disposal of treasury stock by resolution of the board of directors on July 21, 2023	7 thousand shares
Decrease due to the sale of shares to the Trust-Type Employee Shareholding Incentive Plan (E-Ship):	51 thousand shares

3. Stock acquisition rights

Company Name	Details	Class of shares eligible for stock acquisition rights	Number of shares eligible (shares)				Balance at the end of the year (consolidated) (Millions of yen)
			Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)	
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on November 8, 2013	-	-	-	-	-	21
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on August 7, 2014	-	-	-	-	-	11
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on August 7, 2015	-	-	-	-	-	2
Total			-	-	-	-	35

4. Dividends

(1) Cash dividends paid

Resolution	Class of stock	Total Dividend Value (Millions of yen)	Dividend per Share (Yen)	Record date	Effective Date
Ordinary General Meeting of Shareholders on June 21, 2023	Common stock	3,120	40.00	March, 31, 2023	June 21, 2023
Board of Directors Meeting on November 8, 2023	Common stock	2,731	35.00	September, 30, 2023	December 1, 2023

(Note) The total amount of dividends resolved at the Ordinary General Meeting of Shareholders on June 23, 2023 included 2 million yen in dividends for Company shares held for the Trust-Type Employee Shareholding Incentive Plan (E-Ship). In addition, dividends per share included a commemorative dividend of 5 yen per share for the 75th anniversary of the Company's founding.

(2) Dividends with a record date during the fiscal year, but an effective date subsequent to the current consolidated fiscal year

Resolution	Class of stock	Source of Dividend	Total Dividend Value (Millions of yen)	Dividend per Share (Yen)	Record date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2024	Common stock	Retained earnings	9,363	120.00	March, 31, 2024	June 27, 2024

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1. Issued shares

Class of stock	Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)
Common stock (thousand shares)	78,900	-	-	78,900

2. Treasury stock

Class of stock	Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)
Common stock (thousand shares)	869	0	16	852

(Summary of reasons for change)

The following provides details of increases and decreases.

Increase due to purchase of fractional shares	0 thousand shares
Disposal of treasury stock by resolution of the board of directors on July 16, 2024	5 thousand shares
Disposal of treasury stock through the exercise of stock acquisition rights	11 thousand shares

3. Stock acquisition rights

Company Name	Details	Class of shares eligible for stock acquisition rights	Number of shares eligible (shares)				Balance at the end of the year (consolidated) (Millions of yen)
			Beginning of the fiscal year (consolidated)	Increase	Decrease	End of the fiscal year (consolidated)	
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on November 8, 2013	-	-	-	-	-	15
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on August 7, 2014	-	-	-	-	-	8
FUJITEC CO., LTD.	Stock acquisition rights as stock options resolved by the Board of Directors on August 7, 2015	-	-	-	-	-	2
Total			-	-	-	-	25

4. Dividends

(1) Cash dividends paid

Resolution	Class of stock	Total Dividend Value (Millions of yen)	Dividend per Share (Yen)	Record date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2024	Common stock	9,363	120.00	March, 31, 2024	June 27, 2024
Board of Directors Meeting on November 8, 2024	Common stock	5,852	75.00	September, 30, 2024	December 2, 2024

(2) Dividends with a record date during the fiscal year, but an effective date subsequent to the current consolidated fiscal year

Resolution	Class of stock	Source of Dividend	Total Dividend Value (Millions of yen)	Dividend per Share (Yen)	Record date	Effective Date
Ordinary General Meeting of Shareholders on June 26, 2026	Common stock	Retained earnings	7,024	90.00	March, 31, 2025	June 27, 2025

(Consolidated statements of cash flows)

*1 The relationship between the period-end balance in cash and deposits and items listed on the consolidated balance sheet is as follows.

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Cash and deposits	80,560	82,942
Time deposits with maturities of more than three months	(41,572)	(28,204)
Cash and cash equivalents	38,987	54,738

(Lease transactions)

1. Finance lease transactions

Finance lease transactions without transfer of ownership

(1) Lease asset details

Property, plant and equipment

Property, plant and equipment are mainly office buildings (buildings and structures), business vehicles (machinery, equipment and vehicles), production facilities (machinery, equipment and vehicles) and office fixtures (tools, furniture and fixtures).

(2) Depreciation method for lease assets

Depreciation for lease assets is as described under Material basis for preparing consolidated financial statements 4. Summary of Significant accounting policies (b) Depreciation/amortization method for significant depreciable/amortizable assets.

2. Operating lease transactions

Future minimum lease payments for noncancelable operating leases

	(Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Due within one year	1,287	1,634
Over one year	2,224	3,081
Total	3,512	4,715

(Financial instruments)

1. Matters on the status of financial instruments

(1) Policy on financial instruments

The Fujitec Group raises funds for capital investment needs for the production, sales, installation, and maintenance of elevators, escalators, and electric transport equipment through internal funds or debt financing. Cash surpluses are invested in highly secure financial assets, and short-term operating funds are financed by internal funds or short-term debt financing. Derivatives financial instruments are used to mitigate the risk of foreign exchange or interest rate fluctuations, and the Company's policy is to not engage in speculative transactions.

(2) Details and risks of financial instruments and risk management structure

Notes and accounts receivable-trade are exposed to customer credit risk. The Company manage this risk according to the credit management rules, conducting collection date management and balance management for each customer. The Company also monitor the credit status of major customers on a regular basis. Consolidated subsidiaries engage in similar management. Foreign currency-denominated trade receivables arising from the Group's global operations are exposed to foreign exchange fluctuation risk. The Group use foreign currency forward contracts to hedge fluctuation risk, if necessary. As investment securities, stocks are exposed to market price fluctuation risk. However, the Group owns stocks mainly in companies with which the Group has business relationships. The Group periodically assesses the fair value of these stocks and reviews holdings on an ongoing basis in consideration of relationships with business partners. As trade payables, trade notes and accounts payable-trade, electronically recorded obligations are mainly due within one

year. A portion trade notes and accounts payable arising from the import of raw materials, etc., is denominated in foreign currency and is exposed to market risk fluctuation for foreign currency exchange rates. However, the balance of payables denominated in foreign currencies is always less than the balance of receivables denominated in foreign currencies. Of debt payables, short-term debt is mainly related to operating activities and long-term debt is incurred mainly for financing necessary capital investments.

Derivatives consists of foreign currency forward contracts used to manage the market risk of fluctuations in foreign currency exchange rates. The finance departments of each Group company enters into derivative transactions for the purpose of hedging risks. The results of derivative transactions are reported to the Company's Finance HQ and the director in charge of finance. Derivative transactions are limited to financial institutions with high credit ratings to reduce credit risk.

Hedge accounting methods, hedged items, hedging policies, and evaluations of hedging effectiveness are as described in Material basis for preparing consolidated financial statements 4.(g) Important hedge accounting methods.

(3) Supplementary information on fair values of financial instruments

As fair value calculations for financial instruments incorporate variable factors, values may fluctuate if different assumptions are used. Nominal contract amounts related to derivative transactions under Derivatives in the notes to these financial statements do not indicate the market risk of derivative transactions.

2. Fair value, etc., of financial instruments

The following table describes the carrying amount, fair value, and gains or losses related to financial instruments on consolidated financial statements.

Previous consolidated fiscal year (March 31, 2024)

(Millions of yen)

	Carrying value on consolidated balance sheets	Fair value	Difference
(1) Cash and deposits (*1)	80,565	80,565	(0)
(2) Notes and accounts receivable-trade and contract assets (Before deducting allowance for doubtful accounts) (*2)	64,119	61,078	(3,041)
(3) Investments securities (*3)			
Investments securities, other	10,805	10,805	-
(4) Long-term loans receivable (Before deducting allowance for doubtful accounts)	1,171	1,169	(2)
Total assets	156,661	153,617	(3,044)
(1) Notes and accounts payable-trade	18,181	18,181	-
(2) Electronically recorded obligations-operating	4,116	4,116	-
(3) Short-term debt	5,733	5,733	-
(4) Long-term debt	128	128	-
(5) Lease obligations (*4)	2,487	2,371	(115)
Total liabilities	30,646	30,531	(115)
Derivatives (*5)			
Derivatives with hedge accounting	(149)	(149)	-
Total derivative transactions	(149)	(149)	-

(*1) Cash and deposits also includes long-term time deposits (4 million yen on the consolidated balance sheets), which are included in other under investments and other assets on the consolidated balance sheets.

(*2) Contract assets are not included.

(*3) Stocks, etc. without market prices are not included in (3) Investments securities.

The amounts of relevant financial instruments on the consolidated balance sheet are as follows.

Classification	Current consolidated fiscal year (Millions of yen)
Unlisted stocks	118
Stocks of subsidiaries and affiliates	846

(*4) Lease obligations included in current liabilities, other and non-current liabilities, other have been combined.

(*5) Net claims and liabilities arising from derivative transactions are presented at net value, and the total of net liabilities are shown in parentheses.

Current consolidated fiscal year (March 31, 2025)

(Millions of yen)

	Carrying value on consolidated balance sheets	Fair value	Difference
(1) Cash and deposits (*1)	83,081	83,071	(9)
(2) Notes and accounts receivable-trade and contract assets (Before deducting allowance for doubtful accounts) (*2)	65,860	61,408	(4,452)
(3) Investments securities (*3)			
Investments securities, other	6,849	6,849	-
(4) Long-term loans receivable (Before deducting allowance for doubtful accounts)	1,422	1,423	0
Total assets	157,214	152,752	(4,461)
(1) Notes and accounts payable-trade	19,380	19,380	-
(2) Electronically recorded obligations-operating	3,493	3,493	-
(3) Short-term debt	4,126	4,126	-
(4) Long-term debt (*4)	164	164	-
(5) Lease obligations (*5)	2,758	2,618	(140)
Total liabilities	29,924	29,784	(140)
Derivatives (*6)			
Derivatives with hedge accounting	(5)	(5)	-
Total derivative transactions	(5)	(5)	-

(*1) Cash and deposits also includes long-term time deposits (138 million yen on the consolidated balance sheets), which are included in other under investments and other assets on the consolidated balance sheets.

(*2) Contract assets are not included.

(*3) Stocks, etc. without market prices are not included in (3) Investments securities.

The amounts of relevant financial instruments on the consolidated balance sheet are as follows.

Classification	Current consolidated fiscal year (Millions of yen)
Unlisted stocks	118
Stocks of subsidiaries and affiliates	875

(*4) Current portion of long-term debt under current liabilities and long-term debt under non-current liabilities are combined.

(*5) Lease obligations included in current liabilities, other and non-current liabilities, other have been combined.

(*6) Net claims and liabilities arising from derivative transactions are presented at net value, and the total of net liabilities are shown in parentheses.

(Note1) Scheduled redemption value of monetary claims and securities with maturity dates after the consolidated balance sheet date

Previous consolidated fiscal year (March 31, 2024)

	Within one year (Millions of yen)	Between one and five years (Millions of yen)	Between five and ten years (Millions of yen)	Over ten years (Millions of yen)
Cash and deposits (*1)	80,560	4	-	-
Notes and accounts receivable-trade and contract assets (*2)	58,236	5,883	-	-
Long-term loans receivable	-	1,171	-	-
Total	138,796	7,059	-	-

(*1) Long-term time deposits (4 million yen on the consolidated balance sheets) included in investments and other assets, other on the consolidated balance sheets are also included.

(*2) Contract assets are not included.

Current consolidated fiscal year (March 31, 2025)

	Within one year (Millions of yen)	Between one and five years (Millions of yen)	Between five and ten years (Millions of yen)	Over ten years (Millions of yen)
Cash and deposits (*1)	82,942	138	-	-
Notes and accounts receivable-trade and contract assets (*2)	58,337	7,522	-	-
Long-term loans receivable	-	1,422	-	-
Total	141,279	9,084	-	-

(*1) Long-term time deposits (138 million yen on the consolidated balance sheets) included in investments and other assets, other on the consolidated balance sheets are also included.

(*2) Contract assets are not included.

(Note2) Long-term debt, lease obligations, and other interest-bearing debt scheduled after the consolidated balance sheet date
Previous consolidated fiscal year (March 31, 2024)

	Within one year (Millions of yen)	Between one and five years (Millions of yen)	Between five and ten years (Millions of yen)	Over ten years (Millions of yen)
Short-term debt	5,733	-	-	-
Long-term debt	-	128	-	-
Lease obligations	727	1,580	179	-
Total	6,461	1,708	179	-

Current consolidated fiscal year (March 31, 2025)

	Within one year (Millions of yen)	Between one and five years (Millions of yen)	Between five and ten years (Millions of yen)	Over ten years (Millions of yen)
Short-term debt	4,126	-	-	-
Long-term debt	45	119	-	-
Lease obligations	834	1,753	170	-
Total	5,007	1,872	170	-

3. Details, etc., of the fair value of financial instruments by level

The Company classifies the fair value of financial instruments into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 Fair Value: Fair value measured using observable inputs that are quoted prices for identified assets or liabilities in active markets

Level 2 Fair Value: Fair value measured using observable inputs other than those included within Level 1.

Level 3 Fair Value: Fair value measured using unobservable inputs.

When multiple inputs that have a significant effect on the calculation of fair value are used, fair value is classified into the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial instruments carried at fair value on the consolidated balance sheets

Previous consolidated fiscal year (March 31, 2024)

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments securities				
Investments securities, other				
Corporate bonds	-	43	-	43
Stocks	10,761	-	-	10,761
Total assets	10,761	43	-	10,805
Derivative transactions				
Currency-related derivatives	-	149	-	149
Total liabilities	-	149	-	149

Current consolidated fiscal year (March 31, 2025)

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments securities				
Investments securities, other				
Corporate bonds	-	44	-	44
Stocks	6,805	-	-	6,805
Total assets	6,805	44	-	6,849
Derivative transactions				
Currency-related derivatives	-	5	-	5
Total liabilities	-	5	-	5

(2) Financial instruments other than those carried at fair value on the consolidated balance sheets

Previous consolidated fiscal year (March 31, 2024)

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Cash and deposits	-	80,565	-	80,565
Notes and accounts receivable-trade and contract assets (Before deducting allowance for doubtful accounts) (*)	-	61,078	-	61,078
Long-term loans receivable (Before deducting allowance for doubtful accounts)	-	1,169	-	1,169
Total assets	-	142,812	-	142,812
Notes and accounts payable-trade	-	18,181	-	18,181
Electronically recorded obligations-operating	-	4,116	-	4,116
Short-term debt	-	5,733	-	5,733
Long-term debt	-	128	-	128
Lease obligations	-	2,371	-	2,371
Total liabilities	-	30,531	-	30,531

(*) Contract assets are not included.

Current consolidated fiscal year (March 31, 2025)

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Cash and deposits	-	83,071	-	83,071
Notes and accounts receivable-trade and contract assets (Before deducting allowance for doubtful accounts) (*)	-	61,408	-	61,408
Long-term loans receivable (Before deducting allowance for doubtful accounts)	-	1,423	-	1,423
Total assets	-	145,902	-	145,902
Notes and accounts payable-trade	-	19,380	-	19,380
Electronically recorded obligations-operating	-	3,493	-	3,493
Short-term debt	-	4,126	-	4,126
Long-term debt	-	164	-	164
Lease obligations	-	2,618	-	2,618
Total liabilities	-	29,784	-	29,784

(*) Contract assets are not included.

(Note) Explanation of valuation techniques used and inputs related to the calculation of fair value

Investments securities

Listed stocks are valued based on quoted market prices. Since listed stocks are traded in active markets, fair value is classified as Level 1 fair value. Corporate bonds are classified as Level 2 fair value, calculated based on the present value of the estimated amount of principal and interest to be received, reflecting the likelihood of collection and discounted at a safe interest rate for the remaining period.

Derivative transactions

The fair value of forward exchange contracts is classified as Level 2 fair value, as the fair value of forward exchange contracts is based on prices, etc., provided by financial institutions with which the Company enters transactions.

Cash and deposits

Fair values of cash and short-term deposits classified as Level 2 fair value, as these items are settled over a short period of time and fair values approximate carrying value. The fair value of long-term time deposits is classified as Level 2 fair value. The fair value is based on the present value of the estimated amount of principal and interest to be received discounted by the interest rate assumed in the case of a similar new contract.

Notes and accounts receivable-trade, and contract assets

Fair values are classified as Level 2 fair value, as these items are based on the present value of receivables discounted by interest rates, etc., taking into account the period until maturity and credit risk for each receivable classified by certain periods of time.

Long-term loans receivable

Fair values are classified as Level 2 fair value, calculated based on the present value of the estimated amount of principal and interest to be received, reflecting the likelihood of collection and discounted at a safe interest rate for the remaining period.

Notes and accounts payable-trade, electronically recorded obligations, and short-term debt

Fair values classified as Level 2 fair value, as these items are settled over a short period of time and fair values approximate carrying value.

Long-term debt

Long-term debt payable in floating interest rates is classified as Level 2 fair value, as interest rates reflect market interest rates over a short period of time and fair value approximates book value. Long-term debt payable under fixed interest rates is classified as Level 2

fair value, as fair value is calculated by discounting total principal and interest rate applicable to new similar transactions.

Lease obligations

Fair value classified as Level 2 fair value, as fair value is calculated by discounting total principal and interest rate applicable to new similar transactions.

(Investments securities)

1. Trading securities

Previous and current consolidated fiscal years

Not applicable.

2. Held-to-maturity securities

Previous and current consolidated fiscal years

Not applicable.

3. Other securities

Previous consolidated fiscal year (March 31, 2024)

	Class	Carrying value on consolidated balance sheets (Millions of yen)	Purchase price (Millions of yen)	Difference (Millions of yen)
Items whose carrying value on the consolidated balance sheets exceeds purchase price	Stock	10,675	3,790	6,884
	Subtotal	10,675	3,790	6,884
Items whose carrying value on the consolidated balance sheets do not exceed purchase price	Stock	86	100	(13)
	Bonds	43	43	-
	Subtotal	129	143	(13)
Total		10,805	3,934	6,870

(Note) These stocks are not included in investments securities, other as unlisted stocks and stocks of subsidiaries and affiliates are carried on the balance sheet at purchase price. The carrying amounts of these stocks on the consolidated balance sheets are as described under Notes to the consolidated financial statements (Financial instruments) 2. Fair value, etc., of financial instruments.

Current consolidated fiscal year (March 31, 2025)

	Class	Carrying value on consolidated balance sheets (Millions of yen)	Purchase price (Millions of yen)	Difference (Millions of yen)
Items whose carrying value on the consolidated balance sheets exceeds purchase price	Stock	6,729	3,171	3,557
	Subtotal	6,729	3,171	3,557
Items whose carrying value on the consolidated balance sheets do not exceed purchase price	Stock	76	100	(23)
	Bonds	44	44	-
	Subtotal	120	144	(23)
Total		6,849	3,315	3,534

(Note) These stocks are not included in investments securities, other as unlisted stocks and stocks of subsidiaries and affiliates are carried on the balance sheet at purchase price. The carrying amounts of these stocks on the consolidated balance sheets are as described under Notes to the consolidated financial statements (Financial instruments) 2. Fair value, etc., of financial instruments.

4. Investments securities, other sold during the consolidated fiscal year

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

Class	Sales proceeds	Total gains on sales	Total losses on sales
Stock	689	466	-
Total	689	466	-

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

Class	Sales proceeds	Total gains on sales	Total losses on sales
Stock	3,016	2,395	-
Total	3,016	2,395	-

5. Securities subject to impairment losses

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

(Derivative transactions)

1. Derivative transactions not treated under hedge accounting

Currency-related derivatives

Previous consolidated fiscal year (March 31, 2024)

Not applicable.

Current consolidated fiscal year (March 31, 2025)

Not applicable.

2. Derivative transactions treated under hedge accounting

Currency-related derivatives

Previous consolidated fiscal year (March 31, 2024)

(Millions of yen)

Hedge accounting method	Transaction type	Main hedge items	Contract value	Due after one year	Fair value
Principle method	Foreign currency forward contracts	Expected foreign currency transaction			
	Buying				
	USD		1,546	-	(47)
	RMB		1,850	492	(101)
Total			3,397	492	(149)

Current consolidated fiscal year (March 31, 2025)

(Millions of yen)

Hedge accounting method	Transaction type	Main hedge items	Contract value	Due after one year	Fair value
Principle method	Foreign currency forward contracts	Expected foreign currency transaction			
	Buying				
	USD		1,094	-	15
	RMB		2,265	222	(21)
Total			3,359	222	(5)

(Retirement benefits)

1. Overview of retirement benefits plans

The Company and consolidated subsidiaries have adopted both funded and non-funded defined benefit plans, as well as a defined contribution plan to provide for employee retirement benefits.

Of these plans, the Company has adopted a defined benefit pension plan and a lump-sum severance payment plan, while consolidated subsidiaries mainly adopt a lump-sum severance payment plan and a defined contribution pension plan.

A retirement benefit trust has been established under the Company lump-sum severance payment plan.

Certain consolidated subsidiaries calculate net defined benefit liability and retirement benefit expenses using the simplified accounting method.

2. Defined benefit plans

(1) Changes to the balance of retirement benefit obligations at the beginning and end of the period as of March 31, 2025 and 2024 (excluding plans adopting the simplified accounting method)

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Retirement benefit obligations at the beginning of the period	17,119	17,575
Service cost	1,043	1,185
Interest cost	108	101
Actuarial gains and losses	302	(1,744)
Retirement benefits paid	(1,072)	(1,386)
Other	73	(38)
Retirement benefit obligations at the end of the period	17,575	15,692

(2) Changes to the balance of pension assets at the beginning and end of the period as of March 31, 2025 and 2024 (excluding plans adopting the simplified accounting method)

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Pension assets at the beginning of the period	12,966	14,128
Expected return on plan assets	259	282
Actuarial gains and losses	1,006	(605)
Employer contributions	490	501
Addition to retirement benefit trust	-	2,500
Retirement benefits paid	(594)	(749)
Pension assets at the end of the period	14,128	16,057

(3) Changes to the balance of net defined benefit liability for plans adopting the simplified accounting method at the beginning and end of the period as of March 31, 2025 and 2024

	(Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net defined benefit liability at the beginning of the period	80	168
Retirement benefit expenses	33	37
Retirement benefits paid	(9)	(7)
Other	64	4
Net defined benefit liability at the end of the period	168	203

- (4) Changes to the balance of retirement benefit obligations and pension assets at the end of the period as of March 31, 2025 and 2024, and net defined liabilities and assets recorded in the consolidated balance sheets

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Funded retirement benefit obligations	13,148	13,897
Pension assets	(14,128)	(16,057)
	(980)	(2,160)
Non-funded retirement benefit obligations	4,595	1,997
Net liabilities and assets recorded in the consolidated balance sheets	3,614	(162)
Net defined benefit liability	4,595	1,977
Net defined benefit asset	(980)	(2,139)
Net liabilities and assets recorded in the consolidated balance sheets	3,614	(162)

(Note) Includes plans adopting the simplified accounting method.

- (5) Retirement benefit expenses and details

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Service cost	1,043	1,185
Interest cost	108	101
Expected return on plan assets	(259)	(282)
Amortization of actuarial gains and losses	240	176
Retirement benefit expenses calculated by the simplified accounting method	33	37
Retirement benefit expenses under defined benefit plans	1,167	1,217

- (6) Remeasurements of defined benefit plans

The details of remeasurements of defined benefit plans (before deductions of income taxes and tax effects) are as follows:

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Actuarial gains and losses	945	1,314
Total	945	1,314

- (7) Cumulative remeasurements of defined benefit plans

The details of cumulative remeasurements of defined benefit plans (before deductions of income taxes and tax effects) are as follows:

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Unrecognized actuarial gains and losses	268	(1,046)
Total	268	(1,046)

(8) Items related to pension assets

a. Details of main pension assets items

Ratios for each main classification of pension assets are as described below.

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Bonds	52%	46%
Stocks	35%	27%
General accounts	4%	4%
Other	9%	23%
Total	100%	100%

(Note) Total pension assets for the current consolidated fiscal year include 15.6% held in the retirement benefit trust established for the corporate pension plan.

b. Method for determining expected long-term rate of return on plan assets

In determining the expected long-term rate of return on plan assets, the Company considers current and expected distributions of pension assets and the current and expected long-term rate of return from the various assets that comprise pension assets.

(9) Items related to the basis for actuarial calculations

The main basis for actuarial calculations is as described below.

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Discount rate	0.2%	1.8%
Expected long-term rate of return	2.0%	2.0%

3. Defined contribution plans

Required contributions to defined contribution plans amounted to 119 million yen for the previous consolidated fiscal year and 154 million yen for the current consolidated fiscal year under review.

(Stock options)

1 Stock option details, scope, and variability

(1) Stock option details

Date of Resolution	Classification and Number of Eligible Individuals	Number of stock options by type of stock	Grant date	Vesting terms	Eligible service period	Exercise period
November 8, 2013	4 directors of the Company excluding outside directors	Common stock: 36,000 shares	November 25, 2013	Not granted	Not determined	November 26, 2013 to November 25, 2043
August 7, 2014	4 directors of the Company excluding outside directors	Common stock: 24,000 shares	August 25, 2014	Not granted	Not determined	August 26, 2014 to August 25, 2044
August 7, 2015	4 directors of the Company excluding outside directors	Common stock: 7,000 shares	August 25, 2015	Not granted	Not determined	August 26, 2015 to August 25, 2045

(2) Stock option details, scope, and variability

The Company converted the number of stock options to a number of shares for eligible stock options existing as of the current consolidated fiscal year.

a. Number of stock options

Date of resolution	Unvested Shares (Shares)					Vested Shares (Shares)				
	End of the previous consolidated fiscal year	Granted	Expired	Vested	Balance of unvested shares	End of the previous consolidated fiscal year	Vested	Exercised	Expired	Unexercised
November 8, 2013	-	-	-	-	-	21,000	-	6,000	-	15,000
August 7, 2014	-	-	-	-	-	14,000	-	4,000	-	10,000
August 7, 2015	-	-	-	-	-	4,000	-	1,000	-	3,000

b. Unit price information

Date of Resolution	Exercise Price (yen)	Average Stock Price at Time of Exercise (yen)	Fair Unit Value Price on Grant Date (yen)
November 8, 2013	1	4,671	1,016
August 7, 2014	1	4,739	815
August 7, 2015	1	4,739	696

2. Method of estimating fair value per unit of stock options granted for the fiscal year ended March 31, 2025

Not applicable.

3. Estimation method for number of vested stock options

As there are no vesting terms, all stock acquisition rights are vested when granted.

(Tax effect accounting)

1. Details of deferred tax assets and general deferred tax liabilities by major source

	(Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Deferred tax assets		
Tax loss carryforwards (Note) 1	1,611	2,264
Net defined benefit liability	703	336
Provision for bonuses	791	952
Provision for losses on construction contracts	1,405	1,263
Allowance for doubtful accounts	1,149	1,677
Other	2,455	2,505
Subtotal of deferred tax assets	8,116	9,000
Valuation allowance related to net tax loss carryforwards (Note) 2	(945)	(1,650)
Valuation allowance related to total future deductible amounts, etc.	(490)	(2,710)
Subtotal of valuation allowances (Note) 1	(1,435)	(4,361)
Total deferred tax assets	6,681	4,638
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,064)	(1,067)
Retained earnings of foreign consolidated subsidiaries	(551)	(459)
Other	(697)	(688)
Total deferred tax liabilities	(3,313)	(2,215)
Deferred tax assets net	3,367	2,423

(Notes) 1. The valuation allowance increased by 2,925 million yen. This increase primarily reflects the reversal of deferred tax assets at a consolidated subsidiary following a reassessment of the recoverability of such assets

2. Net tax loss carryforwards and deferred tax assets by carryforward period

Previous consolidated fiscal year (March 31, 2024)

	(Millions of yen)						
	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
Net tax loss carryforwards (a)	65	48	56	174	138	1,128	1,611
Valuation allowance	(64)	(38)	(40)	(89)	(62)	(650)	(945)
Deferred tax assets	1	10	15	85	76	478	666

(a) Net tax loss carryforward is the amount multiplied by the statutory tax rate.

Current consolidated fiscal year (March 31, 2025)

	(Millions of yen)						
	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years	Total
Net tax loss carryforwards (a)	93	94	127	167	724	1,057	2,264
Valuation allowance	(69)	(41)	(44)	(167)	(724)	(602)	(1,650)
Deferred tax assets	23	53	82	-	-	454	613

(a) Net tax loss carryforward is the amount multiplied by the statutory tax rate.

2. Reconciliation between the statutory tax rate and the effective income tax rate after applying tax effect accounting, and main causes of said differences

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Effective statutory tax rate	30.62%	30.62%
(Adjustments)		
Non-deductible entertainment expenses	0.36%	0.43%
Valuation allowances	(0.40)%	11.72%
Per capita inhabitant tax	0.58%	0.69%
Net loss of consolidated subsidiaries	0.27%	3.26%
Effect of foreign tax rate differences	(8.11)%	(6.53)%
Income taxes for prior periods	2.53%	-%
Non-taxable gain on sales of non-current assets of foreign subsidiaries	(3.65)%	-%
Tax credit for research and development expenses	(0.85)%	(1.50)%
Other	1.77%	(1.50)%
Income tax rate after application of tax effect accounting	23.12%	37.19%

3. Adjustments to deferred tax assets and liabilities due to changes in income tax rates

The Diet enacted the Act for Partial Revision of Income Taxes. (Act No. 13 of 2025) on March 31, 2025. As a result, the Defense Special Corporation Tax will come into effect starting from the consolidated fiscal year beginning April 1, 2026.

In response, the Company applied a revised statutory effective tax rate of 31.52%, up from 30.62%, to calculate deferred tax assets and liabilities related to temporary differences expected to reverse in or after the consolidated fiscal year starting April 1, 2026.

As a result of this change, the Company reduced the net amount of deferred tax assets (after offsetting deferred tax liabilities) by 18 million yen, deferred taxes expense by 21 million yen, valuation difference on available-for-sale securities by 30 million yen, and remeasurements of defined benefit plans by 9 million yen.

(Revenue recognition)

1. Disaggregation of revenues arising from contracts with customers

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments				Total
	Japan	East Asia	South Asia	The Americas and Europe	
New Installations	31,410	39,667	13,236	11,844	96,158
Aftermarket	54,122	25,462	17,358	32,602	129,545
Other	33	1,963	404	1,294	3,696
Revenues arising from contracts with customers	85,565	67,094	30,999	45,741	229,401
Sales to external customers	85,565	67,094	30,999	45,741	229,401

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segments				Total
	Japan	East Asia	South Asia	The Americas and Europe	
New Installations	32,635	27,660	18,758	14,651	93,705
Aftermarket	57,365	28,686	19,904	37,613	143,570
Other	37	2,368	261	1,309	3,977
Revenues arising from contracts with customers	90,038	58,715	38,924	53,574	241,253
Sales to external customers	90,038	58,715	38,924	53,574	241,253

2. Basic Information for Understanding Revenues

(1) New Installations

The Company performs new construction of elevators, escalators, and other equipment, recognizing revenue over a specified period of time based primarily on the percentage of completion measured as a ratio of actual costs incurred compared to total construction costs. The Company takes this approach as the construction work in question creates assets that cannot be converted to an alternative use and the contract has an enforceable right to receive consideration for the completed portion of the work. Further, costs are incurred in accordance with the actual progress of the work, and the Company has determined that the degree of progress in satisfying performance obligations can be estimated reasonably based on inputs tied to costs incurred. The Company's new installation contracts include free maintenance services to be performed for a certain period of time after completion and delivery. The Company allocates the transaction price for such maintenance services as a separate performance obligation and recognizes revenue over time. Arm's length sales prices are estimated based on various factors, including market conditions and cost performance. Consideration for transactions is generally received within approximately one year from of the satisfaction of performance obligations.

(2) Aftermarket

The Company provides maintenance, repair and modernization services for elevators, escalators and other equipment. For maintenance work, the Company recognizes revenue over time, as the Company charge a fixed amount based on the duration of services rendered. For repair work, the Company recognizes revenue at the point in time in which work is completed. For modernization projects, the Company recognizes revenue over a specified period of time based primarily on the percentage of completion measured as a ratio of actual costs incurred compared to total construction costs. The Company takes this approach as the construction work in question creates assets that cannot be converted to an alternative use and the contract has an enforceable right to receive consideration for the completed portion of the work. Further, costs are incurred in

accordance with the actual progress of the work, and the Company has determined that the degree of progress in satisfying performance obligations can be estimated reasonably based on inputs tied to costs incurred. The Company's modernization contracts include free maintenance services to be performed for a certain period of time after completion and delivery. The Company allocates the transaction price for such maintenance services as a separate performance obligation and recognizes revenue over time. Arm's length sales prices are estimated based on various factors, including market conditions and cost performance. Consideration for transactions is generally received within approximately one year from of the satisfaction of performance obligations.

(3) Other

The Company sells products primarily to foreign customers and recognizes revenue at a point in time in which delivery is completed.

3. Information for Understanding Revenue for the Current and Next Fiscal Years

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(1) Balance of contract assets, contract liabilities, etc.

	(Millions of yen)	
	Previous consolidated fiscal year	
	Beginning of period	End of period
Receivables arising from contracts with customers	59,922	64,119
Contract assets	16,416	21,021
Contract liabilities	22,025	20,999

Contract assets relate to the rights of the Company or subsidiaries to consideration for goods or services for which the Company or subsidiaries have satisfied or partially satisfied performance obligations under new installation and modernization contracts as of the balance sheet date, but for which invoices have yet to be issued. The Company or subsidiaries reclassifies contract assets to accounts receivable when the rights to consideration become unconditional. Consideration for new installation and modernization contracts is billed on a milestone basis. Some amounts may be received prior to the satisfaction of performance obligations.

Contract liabilities represent unearned consideration received from customers in advance of the performance of contracts for goods or services provided by the Company and consolidated subsidiaries. The liability is reversed as revenue is recognized for the contracts related to said unearned consideration.

Of the beginning balance of contract liabilities, 17,587 million yen was recognized as revenue during the period.

The material changes in contract assets for the previous consolidated fiscal year are due mainly to the recognition of revenue associated with the progress of construction and other activities.

(2) Transaction prices allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations as of March 31, 2024 was 179,533 million yen.

The Company expects the remaining performance obligations to be satisfied generally within three years. The Company applied the practical expedient method in the notes related to transaction prices allocated to remaining performance obligations. The notes do not include contracts for fixed amounts based on service time rendered for services for which revenue is recognized in accordance with Paragraph 19 of Implementation Guidance on Accounting Standard for Revenue Recognition.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(1) Balance of contract assets, contract liabilities, etc.

(Millions of yen)

	Current consolidated fiscal year	
	Beginning of period	End of period
Receivables arising from contracts with customers	64,119	65,860
Contract assets	21,021	24,483
Contract liabilities	20,999	24,089

Contract assets relate to the rights of the Company or subsidiaries to consideration for goods or services for which the Company or subsidiaries have satisfied or partially satisfied performance obligations under new installation and modernization contracts as of the balance sheet date, but for which invoices have yet to be issued. The Company or subsidiaries reclassifies contract assets to accounts receivable when the rights to consideration become unconditional. Consideration for new installation and modernization contracts is billed on a milestone basis. Some amounts may be received prior to the satisfaction of performance obligations.

Contract liabilities represent unearned consideration received from customers in advance of the performance of contracts for goods or services provided by the Company and consolidated subsidiaries. The liability is reversed as revenue is recognized for the contracts related to said unearned consideration.

Of the beginning balance of contract liabilities, 13,096 million yen was recognized as revenue during the period.

The material changes in contract assets for the current consolidated fiscal year are due mainly to the recognition of revenue associated with the progress of construction and other activities.

The material changes in contract liabilities for the current consolidated fiscal year are due mainly to an increase in the receipt of advances from customers.

(2) Transaction prices allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations as of March 31, 2025 was 197,528 million yen.

The Company expects the remaining performance obligations to be satisfied generally within three years. The Company applied the practical expedient method in the notes related to transaction prices allocated to remaining performance obligations. The notes do not include contracts for fixed amounts based on service time rendered for services for which revenue is recognized in accordance with Paragraph 19 of Implementation Guidance on Accounting Standard for Revenue Recognition.

(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.

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 described under Material basis for preparing 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.

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

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(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

(Notes) 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.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(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	90,038	58,715	38,924	53,574	241,253	-	241,253
Intersegment sales/transfers	1,869	12,408	2	72	14,352	(14,352)	-
Total	91,908	71,123	38,927	53,646	255,605	(14,352)	241,253
Segment income (loss)	9,293	(966)	6,324	1,574	16,226	(55)	16,171
Segment assets	116,762	94,264	46,388	33,473	290,889	(28,631)	262,257
Other items							
Depreciation and amortization	2,281	1,019	601	804	4,706	-	4,706
Amortization of goodwill	-	-	90	214	304	-	304
Impairment loss	16	69	326	-	412	-	412
Increase in property, plant and equipment and intangible assets	6,786	492	600	651	8,531	-	8,531

(Notes) 1 Adjustments are as follows:

- (1) Segment income (loss) adjustments of (55) million yen include eliminations of intersegment transactions of (6) million yen and inventory adjustments of (49) million yen.
 - (2) Segment asset adjustments of (28,631) million yen include eliminations of intersegment transactions of (28,188) million yen and inventory adjustments of (443) million yen.
- 2 Segment income (loss) has been adjusted to operating income on the consolidated statements of income.

[Related Information]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

1. Information by product and service

The main business of the Fujitec Group is the production, sales, installation, and maintenance of elevators, escalators, and electric transport equipment. In the elevator and escalator market, the Group provides equipment from new installation to maintenance as an integrated service. Information by product and service is omitted, as sales to external customers exceed 90% of net sales in the consolidated statements of income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	East Asia	South Asia	The Americas, Europe and Others	Total
85,532	65,175	31,875	46,818	229,401

(Notes) 1. Net sales are classified into the country or region where the customer in question is located.

2. China accounts for 41,020 million yen of East Asia results.

3. The United States accounts for 31,422 million yen of the Americas, Europe and Others results.

(2) Property, plant and equipment

(Millions of yen)

Japan	East Asia	South Asia	The Americas and Europe	Total
24,382	8,484	3,893	2,786	39,547

(Note) China accounts for 4,867 million yen of East Asia results.

3. Information by major customer

This information is omitted as there are no external customers who accounted for over 10% of sales in the consolidated statements of income.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

1. Information by product and service

The main business of the Fujitec Group is the production, sales, installation, and maintenance of elevators, escalators, and electric transport equipment. In the elevator and escalator market, the Group provides equipment from new installation to maintenance as an integrated service. Information by product and service is omitted, as sales to external customers exceed 90% of net sales in the consolidated statements of income.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	East Asia	South Asia	The Americas, Europe and Others	Total
90,001	56,395	39,644	55,212	241,253

(Notes) 1. Net sales are classified into the country or region where the customer in question is located.

2. China accounts for 28,390 million yen of East Asia results.

3. Singapore accounts for 25,415 million yen of the South Asia results.

4. The United States accounts for 35,700 million yen of the Americas, Europe and Others results.

(2) Property, plant and equipment

(Millions of yen)

Japan	East Asia	South Asia	The Americas and Europe	Total
28,801	8,410	4,193	2,919	44,325

(Note) China accounts for 4,810 million yen of East Asia results.

3. Information by major customer

This information is omitted as there are no external customers who accounted for over 10% of sales in the consolidated statements of income.

[Information related to impairment of non-current assets by reportable segment]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	East Asia	South Asia	The Americas and Europe	Corporate and Eliminations	Total
Impairment loss	142	-	464	-	-	607

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Japan	East Asia	South Asia	The Americas and Europe	Corporate and Eliminations	Total
Impairment loss	16	69	326	-	-	412

[Information on Amortization and Unamortized Balance of Goodwill per Reporting Segment]

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Japan	East Asia	South Asia	The Americas and Europe	Corporate and Eliminations	Total
Balance at the end of the previous fiscal year	-	-	854	1,355	-	2,210

(Note) Information on amortization of goodwill is omitted as similar information is provided under segment information.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Japan	East Asia	South Asia	The Americas and Europe	Corporate and Eliminations	Total
Balance at the end of the current fiscal year	-	-	497	1,264	-	1,762

(Note) Information on amortization of goodwill is omitted as similar information is provided under segment information.

Information on gain on negative goodwill by reporting segment

Previous consolidated fiscal year and current consolidated fiscal year

Not applicable.

[Related-Party Information]

1. Related-party transactions

(1) Transactions between the company submitting consolidated financial statements and related parties

Officers and major shareholders (restricted to individuals only.) of the company submitting consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)

Not applicable.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

Not applicable.

(2) Transactions between the consolidated subsidiaries of the company submitting consolidated financial statements and related parties

Previous consolidated fiscal year and current consolidated fiscal year

Not applicable.

2. Notes on parent company or significant affiliates

Not applicable.

(Per-Share Information)

(Yen)

Item	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	1,901.28	1,994.06
Net income per share	228.55	185.99
Diluted net income per share	228.44	185.90

Note 1. In calculating 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 held as E-Ship Trust-Type Employee Shareholding Incentive Plan. The average number of Fujitec Co., Ltd. shares held in the trust during the previous consolidated fiscal year was 12,583 shares.

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

Item	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	17,830	14,514
Amounts not attributable to shareholders of common stock (Millions of yen)	-	-
Profit attributable to common stock owners of parent (Millions of yen)	17,830	14,514
Average number of outstanding shares of common stock (Thousand shares)	78,015	78,037
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	36
(Stock acquisition rights included) (Thousand shares)	(38)	(36)
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	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Total net assets (Millions of yen)	165,177	170,635
Amount deducted from total net assets (Millions of yen)	16,819	15,004
(Stock acquisition rights included) (Millions of yen)	(35)	(25)
(Non-controlling interests included) (Millions of yen)	(16,783)	(14,979)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	148,358	155,630
Number of common stock at the end of the fiscal year used to calculate net assets per share (Thousand shares)	78,030	78,047

(Significant subsequent events)

Transactions under common control, etc.

1. Overview of the transactions

(1) Name of the company involved and its business lines

a. Name of the company involved: Fujitec Canada, Inc.

Business lines: Marketing, installation, and maintenance of escalators

b. Name of the company involved: Elevadores EV International, S.A. de C.V.

Business lines: Manufacturing, marketing, installation, and maintenance of escalators

(2) Date of business combination

March, 3, 2025

(3) Legal form of business combination

Fujitec transferred all equity interest in consolidated subsidiary Fujitec Canada Inc. ("Fujitec Canada") and consolidated subsidiary Elevadores EV International, S.A. de C.V. ("EEVI") to consolidated subsidiary Fujitec America Inc. ("Fujitec America") as a contribution in kind. As a result, Fujitec Canada and EEVI became subsidiaries of Fujitec America and sub-subsidiaries of Fujitec Co., Ltd.

(4) Name of company after combination

No change.

(5) Other details related to the overview of the transactions

The Company is placing the North American business bases of Fujitec Canada and EEVI under Fujitec America to strengthen the general management function of the North American region.

2. Outline of the accounting procedures to be applied

The transaction will be accounted for as a transaction under common control in the fiscal year ending March 2026, as Fujitec America's fiscal year-end differs from the consolidated closing date. This treatment is in accordance with the Accounting Standard for Business Combinations and the Implementation Guidance on Accounting Standards for Business Combinations and Business Divestitures.

e. [Consolidated Supplementary Schedules]

[Corporate Bond Schedule]

Not applicable.

[Schedule of Borrowings]

Classification	Beginning of period (Millions of yen)	End of period (Millions of yen)	Average interest rate (%)	Due date
Short-term debt	5,733	4,126	3.90	-
Current portion of long-term debt	-	45	2.98	-
Current portion of lease obligations	727	834	-	-
Long-term debt (excludes current portion)	128	119	2.60	January 2029
Lease obligations (excludes current portion)	1,759	1,923	-	April 2034
Other interest-bearing debt	-	-	-	-
Total	8,349	7,050	-	-

(Notes) 1. Average interest rate is the weighted average interest rate for the borrowings fiscal end of the period.

2. Average interest rate for lease obligations omitted, as lease obligations are recorded on the consolidated balance sheets at the amount before deducting amounts equivalent to interest included in total lease payments.

3. Scheduled repayments for long-term debt and lease obligations (excluding current portion) for the five years following the consolidated balance sheet date are as described below.

Classification	Between one and two years (Millions of yen)	Between two and three years (Millions of yen)	Between three and four years (Millions of yen)	Between four and five years (Millions of yen)
Long-term debt	36	36	36	9
Lease obligations	687	529	367	169

[Schedule of Asset Retirement Obligations]

Information is omitted pursuant to Article 92-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements, as the amount of asset retirement obligations at the beginning and end of the current consolidated fiscal year is less than 1/100 of the total liabilities and net assets at the beginning and end of the current consolidated fiscal year.

(2) [Other]

Half-year information for the current consolidated fiscal year:

(Year-to-date)	1st quarter	1st half-year	3rd quarter	Year end
Net sales (Millions of yen)	56,185	116,759	178,102	241,253
Profit before income taxes (Millions of yen)	5,394	10,743	16,031	19,975
Profit attributable to owners of parent (Millions of yen)	3,897	8,199	11,149	14,514
Net income per share (Yen)	49.95	105.08	142.88	185.99

(Fiscal year)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net income per share (Yen)	49.95	55.13	37.80	43.11

(Notes) 1st and 3rd quarterly consolidated financial statements subject to quarterly financial review: No