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(Securities Code 6406)
June, 4, 2025

Dear Shareholders:

Masayoshi Harada
Representative Director, President and CEO
Fujitec Co., Ltd.
591-1, Miyata-cho, Hikone, Shiga, Japan

NOTICE OF THE 78TH ANNUAL MEETING OF SHAREHOLDERS

We would like to express our sincere appreciation for your continued support and patronage.

You are hereby cordially noticed of the 78th Annual Meeting of Shareholders of Fujitec Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

In convening this Meeting of Shareholders, the Company has taken the measure of electronically providing information that makes up the contents of the Reference Materials for the General Meeting of Shareholders, etc. (matters to be provided electronically), and has posted it on the following website as the Notice of Convocation of the General Meeting of Shareholders.

Fujitec Website <https://www.fujitec.com/ir/stockholder>



In addition to the above, the information is also posted on the following website of the Tokyo Stock Exchange (TSE).

JPX Website <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



(Note) On the JPX website, please search for the stock name (company name) “Fujitec” or the securities code “6406”, select “Basic Information”, then “Documents for Public Inspection/PR Information” to confirm the information.

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing (by mail). Please review the attached “Reference Materials for the Meeting of Shareholders” (pages 5 to 16), review the “Guide to Exercise of Voting Rights” (page 3), and exercise your voting rights by 5:25 p.m. (by the end of business hours) on Wednesday, June 25, 2025, Japan time.

1 Date and Time:	Thursday, June 26, 2025 at 10:00 a.m. Japan Time (registration begins at 9:00 a.m.)
2 Place:	Big Wing Hall at the Head Office located at 591-1, Miyata-cho, Hikone, Shiga, Japan
3 Meeting Agenda:	<p>Matters to be reported:</p> <ol style="list-style-type: none"> 1. The Business Report, Consolidated Financial Statements for the Company's 78th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements 2. Non-consolidated Financial Statements for the Company's 78th Fiscal Year (April 1, 2024 - March 31, 2025) <p>Proposals to be resolved:</p> <p>Agenda Item 1: Disposal of surplus</p> <p>Agenda Item 2: Election of Nine (9) Directors</p>
4 Other Matters related to this Notice:	<ul style="list-style-type: none"> • If there is no indication of a vote on the voting form in favor or opposed to any of the proposals, the Company will treat such as an indication of “賛 (in favor of)” . • If you wish to exercise your voting rights in a non-uniform manner, please notify the Company, in writing or by electronic or magnetic means, of your intention to exercise your voting rights in a non-uniform manner and the reason therefor at least three days prior to the General Meeting of Shareholders.

End

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- ◎If attending in person, please submit the enclosed voting rights exercise form to the reception desk at the venue. In order to conserve resources, please bring this Notice of Convocation with you. Please note that non-shareholders are not permitted to attend the general meeting. This includes proxies who are not shareholders and non-shareholder companions to shareholders.
 - ◎Executives and staffs of the Company will be in light attire (“Cool Biz”). The Company recommends that shareholders also attend in light attire.
 - ◎No gifts will be provided at the meeting. Thank you for your understanding.
 - ◎If any revisions are made to the electronic provision measures, the revised information will be posted on the respective websites where they are posted.
 - ◎With respect to this General Meeting of Shareholders, the Company has sent a document containing information regarding electronic provision measures, regardless of whether a request for written delivery has been made. However, in accordance with the legal requirements and Article 16, Paragraph 2 of the Company's Articles of Incorporation, the following matters have not been included. This document is included in the documents audited by members of the Audit & Supervisory Board and the Independent Auditor in preparing the audit report.
 - “Structures for Assuring the Appropriateness of Business Operations and Overview of Operation Status of the Structures” and “Basic Policy on Management Control” in the Business Report
 - Consolidated financial statements, including “Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements”
 - Financial statements, including “Statements of Changes in Shareholders’ Equity” and “Notes to Financial Statements”
 - ◎The results of the resolutions of the General Meeting of Shareholders will be published on the Fujitec corporate website noted above after the conclusion of the General Meeting of Shareholders. No written notices of the results will be issued.

Guide to Exercising of Voting Rights

Please review the “Reference Documents for the Meeting of Shareholders” of Measures for Electronic Provision, and exercise your voting rights by using one of the following methods.

<Exercise of voting rights prior to the meeting of shareholders>

- Via personal computer, etc.

Deadline: 5:25 p.m., Wednesday, June 25, 2025

Voting Rights Exercise Website: <https://www.web54.net>

Please enter your vote for or against the proposals.

Please note that voting rights cannot be exercised through the "Premium Benefits Club," a website exclusively for shareholders.

Please refer to page 4 for details.

- Via smart phones or tablet devices

Deadline: 5:25 p.m., Wednesday, June 25, 2025

Please use a smartphone or a tablet device to scan QR Code displayed at the Voting Rights Exercise Form.

Please refer to page 4 for details.

- Exercise of voting rights via post

Deadline: Received by 5:25 p.m., Wednesday, June 25, 2025

Please indicate your vote for or against the proposals on the Voting Rights Exercise Form and return it so that it arrives by the exercise deadline.

Handling of voting rights exercised in duplicate

- (1) If voting rights are exercised in duplicate both in writing and via the internet, etc. (including those exercised by smartphones or tablet devices), the voting rights exercised via the internet, etc. (including those exercised by smartphones or tablet devices), shall be deemed valid.
- (2) If voting rights are exercised multiple times via the internet, etc. (including those exercised by smartphones or tablet devices), the most recent votes exercise will be deemed valid.

<Attend the meeting in person>

Date and time of General Meeting of Shareholders: 10:00 a.m., Thursday, June 26, 2025 (registration begins at 9:00 a.m.)

Please bring the enclosed Voting Rights Exercise Form and submit it to the reception desk.

<For institutional investors>

Other than exercising your voting rights via internet, voting rights may also be exercised via the Electronic Voting Rights Exercise Platform operated by ICJ, Inc. (only when registered in advance).

For any inquiries, please contact the shareholder registry administrator below:

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support

Inquiries about how exercising voting rights via PC:

0120-652-031 (hours of operation: 9:00 a.m. to 9:00 p.m.)

Any other inquiries:

0120-782-031 (hours of operation: 9:00 a.m. to 5:00 p.m.;
excluding weekends and holidays)

<Exercise voting rights via personal computer, etc. (Voting Rights Exercise Website)>

(i) Access Voting Rights Exercise website: <https://www.web54.net>

(ii) Enter your Voting Rights Exercise Code.

Enter the Voting Rights Exercise Code as indicated on the Voting Rights Exercise Form.

(iii) Enter your password

Enter the password as indicated on the Voting Rights Exercise Form.

Follow the guidance on the screen, and enter your vote for or against the proposals.

*Connection fees, telecommunications fees, etc. incurred when utilizing the Voting Rights Exercise Website shall be borne by the shareholder.

*Depending on the internet usage environment, subscribed services or the device model, Voting Rights Exercise Website may not be available.

<Exercise by smart phones or tablet devices>

(i) Access Voting Rights Exercise website for smartphones

Use a smartphone or a tablet device to scan the log-in QR code for the Voting Rights Exercise Website for Smartphones, displayed at the lower right of the enclosed Voting Rights Exercise Form.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED

(ii) Visit Voting Rights Exercise Website

Follow the guidance on the screen, and enter your vote for or against the proposals.

When you visit the website on the displayed URL, the Voting Rights Exercise Website screen will open.

You may exercise voting rights by smartphones or tablet devices once only.

To change your vote after exercising your voting rights by smartphones or tablet devices, please refer to *Exercise voting rights via personal computer, etc.* above, enter Voting Rights Exercise Code and password as indicated on the Voting Rights Exercise Form, and then execute your vote again.

* You can access to the Voting Rights Exercise Website above by scanning the QR code.

Proposals and References

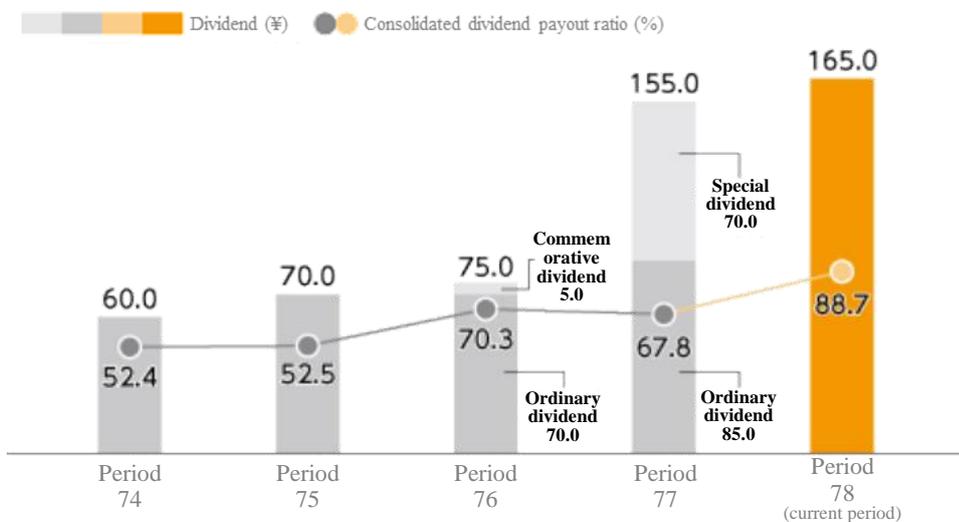
Agenda Item 1 Disposal of surplus

For the appropriation of surplus, the Company proposes the following.

With respect to the appropriation of profits, we consider the enhancement of profit returns to shareholders to be the most important management issue we address. Our basic policy is to balance profit distribution with investments in growth to expand our foundation for earnings.

The Company revised earnings forecasts downward on February 6, 2025 from the figures announced on May 14, 2024. However, based on the fact that the downward revision to the above earnings forecasts is due mainly to the impact of temporary expenses, and net sales, operating income, and ordinary income for the fiscal year ended March 31, 2025 recorded record highs, the Company proposes to pay year-end dividend of 90 yen per share as announced on May 14, 2024. Consequently, the annual dividend will be 165 yen per share, including an interim dividend of 75 yen per share. As a result, our consolidated dividend payout ratio amounted to 88.7%.

- (1) Type of dividend property
Cash
 - (2) Matters regarding the allotment of dividend property and the total amount
¥90 per share of common stock of the Company Total amount: ¥7,024,260,060
 - (3) Date on which dividends become effective
Friday, June 27, 2025
- (Reference) Annual dividends per share/consolidated payout ratio



Election of Nine (9) directors

The terms of office of nine (9) Directors will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect nine (9) Directors.

With respect to the selection of candidates, the Nomination and Compensation Advisory Committee, a voluntary advisory body to the Board of Directors, over half of whose members are independent outside directors, made a report on nominations after thorough deliberations based on the senior management evaluation by notable outside experts and interviews with each director conducted by the Committee, and ultimately, based on the report of the Committee, final decisions were made by the Board of Directors, chaired by an independent outside director and composed of a majority of independent outside directors.

Three (3) of the nine (9) candidates are internal directors responsible for business execution. Under the strong leadership of the President, each director fulfills their assigned role, working together as a united team with strong collaboration, and steadily working towards the achievement of the medium-term management plan, Move On 5. Each individual is steadily achieving results while leveraging their expertise and strengths, and given favorable evaluations in the senior management evaluation conducted by outside experts based on an ideal image of senior management executives, we believe these individuals are most suitable for implementing the Company's medium-term management plan. Consequently, the Company proposes their reappointment.

The remaining six (6) directors are outside directors. Outside directors are selected from the perspective of independence and expertise to enable them to comprehensively and objectively examine various management strategies and provide high-level advice and supervision of management, while sharing the viewpoints of the Company's shareholders and other stakeholders.

In this way, our proposed candidates have a wealth of experience and accomplishments in various fields, including domestic and international, knowledge and experience necessary for our business, perspective on the global elevator industry, and knowledge of corporate legal affairs and compliance, etc. The Company believes that the number of directors is well-balanced and appropriate from the perspectives of sustainable business growth, enhancement of corporate value over the medium and long term from the investors' viewpoint, and strengthening of the governance system, while ensuring diversity in terms of gender, internationality, age, and professional experience in addition to the balance of abilities and knowledge.

The candidates for directors are as follows:

No.	Name			Titles and Responsibilities
1	Masayoshi Harada	(Male)	Reappointment	Representative Director President, and CEO
2	Takashige Nakajima	(Male)	Reappointment	Representative Director Senior Executive Operating Officer and In-Charge of Engineering & Production Nomination and Compensation Advisory Committee
3	Kosuke Sato	(Male)	Reappointment	Director Senior Executive Operating Officer and In-Charge of Administration
4	Kaoru Umino	(Female)	Reappointment	Outside Independence Director Chairperson of the Board of Directors
5	Torsten Gessner	(Male)	Reappointment	Outside Independence Director
6	Clark Graninger	(Male)	Reappointment	Outside Independence Director
7	Ako Shimada	(Female)	Reappointment	Outside Independence Director Chairperson of Nomination and Compensation Advisory Committee
8	Anthony Black	(Male)	Reappointment	Outside Independence Director
9	Shakil Ohara	(Male)	Reappointment	Outside Independence Director Nomination and Compensation Advisory Committee

- Note 1. If all of the said candidates are approved, the proportion of foreign directors will be 33.3% (three (3) out of nine (9) directors) and the proportion of female directors will be 22.2% (two (2) out of nine (9) directors). *Rounded to one decimal place.
2. The corporate management experience and expertise, etc., of directors subsequent to this general meeting of shareholders (if the proposal is approved as proposed) are provided on pages 16.

No. 1

Masayoshi Harada

Date of birth
January 22, 1962

Reappoi
ntment



Career summary, positions, responsibilities and significant concurrent positions

April 1984 Joined The Company
April 2009 Operating Officer
April 2012 General Manager of Osaka Region HQ, Japan Business HQ
April 2013 General Manager of Tokyo Region HQ, Japan Business HQ
October 2016 Deputy General Manager of Japan Business HQ
April 2017 Executive Operating Officer
April 2019 President of Company subsidiary Huasheng Fujitec Elevator Co., Ltd.
May 2019 Director of Company subsidiary Huasheng Fujitec Elevator Co., Ltd.
April 2023 Regional Director - China
June 2023 Representative Director and President of the Company (to the present)
Chief Executive Officer (to the present)

Number of shares of the
Company held

12,517 shares

Number of Board of
Directors Attended

12/12

Reasons for selection as a candidate for Director

In his second year as president, Mr. Harada continued to demonstrate strong leadership and organizational management skills, powerfully driving forward management reforms. Through his strong communication skills, he has effectively instilled the organizational vision throughout the company, enhancing employees' motivation to achieve their goals. As a result of these efforts, in the fiscal year ending March 2025, the Company achieved record highs in orders received, net sales, and operating profit. Despite challenges such as the sluggish Chinese market and the impact of tariffs, he remains a central figure in realizing the medium-term management plan, and therefore, the Company has nominated him as a candidate for director once again.

(Notes) 1. There are no special conflicts of interest between Mr. Masayoshi Harada and the Company.



Career summary, positions, responsibilities and significant concurrent positions

February 2019	Joined the Company
October 2019	General Manager of Quality Management HQ
April 2020	Operating Officer
April 2021	Executive Operating Officer
June 2023	Representative Director Senior Executive of the Company (to the present) Senior Executive Operating Officer (to the present) In Charge of Engineering and Production (to the present)
August 2023	Chairman of Company subsidiary Fujitec (HK) Co., Ltd. (to the present) Chairman of Company subsidiary Fujitec Taiwan Co., Ltd. (to the present) Director of Company subsidiary Fujitec Singapore Corpn. Ltd. (to the present)

Number of shares of the
Company held

3,653 shares

Number of Board of
Directors Attended

12/12

Reasons for selection as a candidate for Director

In his second term as Representative Director Senior Executive, Mr. Nakajima has promoted three key initiatives outlined in the medium-term management plan: "Field Margin Improvement," "Supply Chain and Manufacturing Optimization," and "Admin/Sales Operations Standardization & BPR." Specifically, he has been working on margin improvement through the development and introduction of new standard models for the domestic market and the development of labor-saving devices. Furthermore, he has actively engaged in all aspects of his role as a member of the Nomination and Compensation Advisory Committee. The Company believes that he is the most suitable person to continue overseeing current operations in order to steadily advance the medium-term management plan, and therefore, the Company has nominated him as a candidate for director once again.

(Notes) 1. There are no special conflicts of interest between Mr. Takashige Nakajima and the Company.



Career summary, positions, responsibilities and significant concurrent positions

January 2021	Joined the Company
March 2021	Auditor of Company subsidiary Fujitec Korea Co., Ltd. Auditor of Company subsidiary Fujitec Shanghai Sourcing Center Co., Ltd.
April 2022	Operating Officer
April 2023	General Manager of Finance HQ Director of Company subsidiary Fujitec America, Inc. (to the present) Director of Company subsidiary Fujitec Taiwan Co., Ltd.
May 2023	Director of the Company (to the present)
June 2023	Senior Executive Operating Officer (to the present) In Charge of Administration (to the present)
August 2023	Auditor of Company subsidiary Huasheng Fujitec Elevator Co., Ltd. (to the present) Auditor of Company subsidiary Shanghai Huasheng Fujitec Escalator Co., Ltd. (to the present)

Number of shares of the Company held
2,244 shares

Number of Board of Directors Attended
12/12

Reasons for selection as a candidate for Director

In his second term as Director and In Charge of Administration, Mr. Sato has leveraged his extensive experience in corporate administration, including finance and corporate planning, to lead the promotion of the medium-term management plan with strong strategic planning and execution capabilities. He also possesses excellent and prompt decision-making skills based on logical thinking, contributing to the formulation of management strategies. Furthermore, he has spearheaded initiatives to strengthen governance, such as establishing the Executive Committee to enhance the decision-making framework, setting up the Governance Subcommittee, and revising the executive compensation system. Based on these achievements and with expectations for his continued contribution to the Company's management, the Company has nominated him as a candidate for director once again.

(Notes) 1. There are no special conflicts of interest between Mr. Kosuke Sato and the Company.



Career summary, positions, responsibilities and significant concurrent positions

September 1987 Associate, David Polk & Wardwell (New York and Tokyo) (Admitted to the New York State Bar (Second Department) in May 1988)

October 1988 Of Counsel, Paul Hastings (Tokyo)

October 1999 Partner, Paul Hastings (Tokyo)

April 2000 Registered as Gaikokuho Jimu Bengoshi, Daini Tokyo Bar Association

February 2006 Managing Director and Associate General Counsel, J.P. Morgan Securities Japan Co., Ltd.

June 2008 Partner, Jones Day (Tokyo)

January 2018 Partner, DLA Piper (Tokyo) (to the present)

February 2023 Director of the Company (to the present)

[Significant concurrent positions]

Partner, DLA Piper Tokyo Partnership Foreign Law Office

Director, Lawyers for LGBT and Allies Network

Number of shares of the Company held
0 shares

Number of Board of Directors Attended
12/12

Reasons for selection as a candidate for outside director, and summary of expected roles

As the Chairperson of the Board of Directors, Ms. Umino demonstrates leadership as a facilitator who draws out diverse opinions among directors and guides constructive discussions. Together with Director Graninger, she actively engages in engagement activities representing the outside directors and continues to contribute to the promotion of the Company's governance reforms. The Company has determined that she will remain a crucial presence in supporting the effectiveness of the Board of Directors and has therefore nominated her as a candidate for director once again.

- (Notes) 1. Ms. Kaoru Umino is a candidate for Outside Director.
2. Ms. Kaoru Umino's term of service as a director of the Company will be 2 years 4 months as of the conclusion of this general meeting of shareholders.
3. There are no special conflicts of interest between Ms. Kaoru Umino and the Company.
4. Ms. Kaoru Umino is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if she is elected as originally proposed and assumes the position, she will continue to be an independent director.



Number of shares of the Company held
0 shares
Number of Board of Directors Attended
12/12

Career summary, positions, responsibilities and significant concurrent positions

October 1985	Joined Otis Elevator Company
October 1993	Business Unit Manager, Electronic Division, Otis Elevator Company
October 1997	Director, Supply Chain Management (Electronics), United Technologies Corporation
October 2003	Vice President (Supply Chain in Europe), Otis Elevator Company
January 2005	Area Director, Supply Chain Management & Logistics, Otis UK & Central Europe
October 2005	Chief Operating Officer (COO), ThyssenKrupp Elevator CENE GmbH
January 2007	Senior Vice President Manufacturing, ThyssenKrupp Elevator AG
January 2010	Chairman and CEO, ThyssenKrupp Escalator & Passenger Boarding Bridges GmbH
October 2011	Chairman and Chief Executive Officer (CEO), ThyssenKrupp North America, Inc.
February 2015	Senior Advisor and Consultant, self-employed (to the present)
February 2023	Director of the Company (to the present)

Reasons for selection as a candidate for outside director, and summary of expected roles

With approximately 40 years of experience as a leader in the global elevator industry, Mr. Gessner has continued to lead candid discussions aimed at enhancing corporate value this term as well, utilizing international benchmarks. The Company expects him to continue playing a vital role in supporting the executive side towards achieving the medium-term management plan, sometimes through his forthright feedback.

(Notes) 1. Mr. Torsten Gessner is a candidate for Outside Director.

2. Mr. Torsten Gessner's term of service as a director of the Company will be 2 years 4 months as of the conclusion of this general meeting of shareholders.
3. There are no special conflicts of interest between Mr. Torsten Gessner and the Company.
4. Mr. Torsten Gessner is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.



Career summary, positions, responsibilities and significant concurrent positions

September 1991	Joined Nippon Shaft Co.
June 1997	Graduated from University of Chicago, Booth School of Business
July 1997	Joined Lehman Brothers Japan Inc.
June 2000	Joined Shinsei Bank, Ltd., Manager, Head of Credit Trading Team
September 2003	Shinsei Bank, Ltd., Senior Managing Executive Officer, Head of Institutional Banking
February 2007	Representative Director, Chairman and CEO, Aplus Co., Ltd.
November 2009	Executive Advisor to the CEO, Shinsei Bank, Ltd.
February 2011	Joined Aozora Bank, Ltd. as Managing Executive Officer, Head of Retail Banking
August 2017	Board Member, Managing Director, Chief Wealth Management Officer, WealthPark, Inc.
June 2021	Board Member, Managing Director, WealthPark Capital K.K. (to the present)
June 2022	Co-Founder, Representative Director, COO/CFO, Reboot K.K.
February 2023	Director of the Company (to the present)
June 2024	Co-Founder, Representative Director, CFO, Reboot K.K. (to the present)
	[Significant concurrent positions]
	Managing Director, WealthPark Capital, Inc.
	Representative Director, CFO, Reboot K.K.

Number of shares of the Company held

0 shares

Number of Board of Directors Attended

12/12

Reasons for selection as a candidate for outside director, and summary of expected roles

Leveraging over 20 years of expertise in the financial industry, Mr. Graninger participates in shareholder relations activities representing the outside directors alongside the Chairperson of the Board of Directors Umino. He also provides valuable advice to the Board of Directors based on his extensive experience in the financial sector. The Company expects him to continue playing a crucial role in reflecting the investors' perspective in discussions and decision-making as the Company progresses towards achieving the medium-term management plan.

(Notes) 1. Mr. Clark Graninger is a candidate for Outside Director.

2. Mr. Clark Graninger's term of service as a director of the Company will be 2 years 4 months as of the conclusion of this general meeting of shareholders.

3. There are no special conflicts of interest between Mr. Clark Graninger and the Company.

4. Mr. Clark Graninger is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.



Career summary, positions, responsibilities and significant concurrent positions

August 1999	Associate, Hancock Rothert & Bunshoft LLP
March 2001	Associate, Coudert Brothers LLP
May 2005	Associate, Rutan & Tucker, LLP
May 2008	Senior Corporate Counsel, Apria Healthcare
July 2010	Assistant General Counsel, Apria Healthcare
May 2014	Assistant General Counsel, Christie Digital Systems
April 2017	Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. (to the present)
June 2019	Board of Directors (outside director), KA Imaging Inc. (to the present)
May 2021	General Counsel, Ushio Europe B.V. (to the present)
February 2023	Director of the Company (to the present)
April 2025	Director, Ushio America, Inc. (to the present)

[Significant concurrent positions]

Director, Vice President, General Counsel and Corporate Secretary, Ushio America, Inc.
Outside Director, KA Imaging Inc.
General Counsel, Ushio Europe B.V.

Number of shares of the Company held

0 shares

Number of Board of Directors Attended

12/12

Reasons for selection as a candidate for outside director, and summary of expected roles

Leveraging her 17 years of experience as an in-house lawyer, including 11 years at a Japanese manufacturer, Ms. Shimada continues to dedicate herself to promoting the Company's governance reforms. Since June 2024, as Chairperson of the Nomination and Compensation Advisory Committee, she has been actively involved not only in the selection of director candidates but also in the senior management evaluation utilizing external experts and designing of compensation plans in collaboration with the Company's Governance Subcommittee. With expectations for her continued contribution to the strengthening of the management structure and the enhancement of governance, the Company has nominated her as a candidate for director once again.

(Notes) 1. Ms. Ako Shimada is a candidate for Outside Director.

2. Ms. Ako Shimada's term of service as a director of the Company will be 2 years 4 months as of the conclusion of this general meeting of shareholders.

3. Ms. Ako Shimada serves as Director, Vice President, General Counsel and Corporate Secretary, Ushio America, Inc., and General Counsel, Ushio Europe. B.V. The Company and Ushio Inc., the parent company of Ushio America, Inc. and Ushio Europe. B.V. have a placing and receiving order relationship (such as installation, maintenance, and etc.) related to the Company products. Sales to the said parent company during the 78th fiscal year for the Company amounted to less than JPY 1 million.

4. Ms. Ako Shimada is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if she is elected as originally proposed and assumes the position, she will continue to be an independent director.



Career summary, positions, responsibilities and significant concurrent positions

June 1984	Joined United Technologies Corporation
May 1991	Completed a master's degree in business administration (MBA) of University of Virginia Darden School of Business
January 2001	Worldwide Vice President, Field Operations, Environmental Health & Safety, and Quality, Otis Elevator Company United Technologies Corporation
March 2005	Managing Director, Nippon Otis Elevator United Technologies Corporation
April 2009	Senior Vice President of Operations, Fire & Security United Technologies Corporation
June 2010	Vice President of Operations - China Region, Otis Elevator Company United Technologies Corporation
February 2012	President & CEO, Otis Elevator Company, Otis China Limited Director & Chairman, Guangzhou Otis Elevator / Shanghai Otis Elevator / Beijing Otis Elevator United Technologies Corporation
March 2016	Global Vice President, Service & Field Operations, Otis Elevator Company United Technologies Corporation
January 2020	President, Service, Husky Injection Molding Systems Ltd. (to the present)
June 2023	Director of the Company (to the present)
	[Significant concurrent positions] President (Service) Husky Injection Molding Systems, Ltd.

Number of shares of the Company held
0 shares

Number of Board of Directors Attended
12/12

Reasons for selection as a candidate for outside director, and summary of expected roles

As an industry expert with 35 years of experience at a global leader in the elevator industry, Mr. Black is also well-versed in the East Asian market through his experience as CEO of China Business and Managing Director of Japan Business. On the Board of Directors, he provides rigorous yet constructive advice on management and business operations, demonstrating an understanding of cultural and business practice differences. The Company expects him to continue providing valuable insights based on his global perspective and extensive experience to ensure the achievement of the medium-term management plan.

- (Notes) 1. Mr. Anthony Black is a candidate for Outside Director.
2. The term of office of Mr. Anthony Black as Director will be 2 years at the conclusion of this meeting.
3. There are no special conflicts of interest between Mr. Anthony Black and the Company.
4. Mr. Anthony Black is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.



Career summary, positions, responsibilities and significant concurrent positions

August 1994	Regional Finance Manager, FedEx North Pacific Region
May 1999	Finance Director, Abbott Laboratories (Japan)
January 2004	Vice President, Asia (Regional CEO), Hospital Division, Abbott Laboratories (Japan)
March 2008	Regional CFO/Regional Strategy Officer (Pacific/Asia, Africa), Abbott Laboratories (Japan)
October 2014	Senior Managing Executive Officer and CFO, Tsubaki Nakashima Co., Ltd.
March 2015	Director, Senior Managing Executive Officer, and CFO, Tsubaki Nakashima Co., Ltd.
March 2018	Director, Executive Vice President, and CFO, Tsubaki Nakashima Co., Ltd.
March 2022	Co-CEO, Maple Associates Pte Ltd
June 2022	CFO, FreeD Technologies Group
January 2024	Representative Director, Co-CEO, DIGIFIT Corporation (to the present)
June 2024	Director of the Company (to the present)
	[Significant concurrent positions]
	Representative Director, Co-CEO, DIGIFIT Corporation

Number of shares of the Company held
0 shares

Number of Board of Directors Attended
10/10

Reasons for selection as a candidate for outside director, and summary of expected roles

In his first term as Director this year, Mr. Ohara has provided highly effective advice in a wide range of areas, including business planning, finance, and M&A, based on his international management experience. Drawing on his perspective as a former CEO and CFO, he offers realistic and rigorous opinions, earning the trust of the management team. He actively engages in all activities of the Nomination and Compensation Advisory Committee, including designing of compensation plans and the senior management evaluation. The Company expects his continued contribution to enhancing the Company's corporate value and has therefore nominated him as a candidate for director once again.

- (Notes) 1. Mr. Shakil Ohara is a candidate for Outside Director.
2. The term of office of Mr. Shakil Ohara as Director will be 1 year at the conclusion of this meeting.
3. There are no special conflicts of interest between Mr. Shakil Ohara and the Company.
4. Mr. Shakil Ohara is an independent director pursuant to the regulations of Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he will continue to be an independent director.
5. Attendance at meetings of the Board of Directors held on and after June 26, 2024 is described, as Mr. Shakil Ohara was newly elected and assumed office as a Director at the 77th Annual General Meeting of Shareholders held on June 26, 2024.

- (Notes) 1. The number of Company shares held by each candidate includes his or her interest in the Company's Executive Shareholding Association as of March 31, 2025.
2. The Company has entered into an indemnification agreement with each director as stipulated in Article 430-2, Paragraph 1 of the Companies Act. Under this agreement, the Company will indemnify a director in question for the expenses stipulated in Paragraph 1 and losses stipulated in Paragraph 2 to the extent allowed by law. To ensure that the proper execution of duties is not impaired by these indemnification agreements, the Company does not provide indemnification for losses, etc., in cases where a director is liable for malicious intent or gross negligence in the performance of his or her duties. The Company intends to continue said agreements if the reappointment of the candidate, currently serving as a director, is approved.
3. The Company entered into a liability insurance contract for officer and director liability insurance as provided in Article 430-3.1 of the Companies Act for Company and subsidiary directors and members of the Audit & supervisory Board as insured parties. The contract covers the amount of compensation, costs of disputes, etc., in the event that an insured party is subject to a claim of liability for damages arising from the execution of his or her duties. The Company bears the cost of all insurance premiums. To ensure the proper execution of duties by the insured parties, the contract in question establishes a certain deductible amount, and any damages not reaching this deductible amount are not covered. In addition, certain exemptions exist, including the non-payment for damages caused by the commission of a crime or other violation of laws and regulations. If this individual is elected and assumes the office of a director, they will be included as an insured under the contract in question. The contract is scheduled to be renewed under the same terms upon renewal.

(Reference) Composition of the Board of Directors (plan after June 26, 2025)

The candidates' experience and expertise, etc. in corporate management are as follows.

Name										
		Masayoshi Harada	Takashige Nakajima	Kosuke Sato	Kaoru Umino	Torsten Gessner	Clark Graninger	Ako Shimada	Anthony Black	Shakil Ohara
New/Reappointment		Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment
Positions and responsibilities at the Company		Representative Director, President, and CEO	Representative Director, Senior Executive Operating Officer	Director, Senior Executive Operating Officer	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director	Outside Director, Independent Director
Experience and expertise, etc. in corporate management	Corporate Management	●		●		●	●	●	●	●
	Corporate Strategy	●				●	●	●	●	●
	Global Business	●	●		●	●	●	●	●	●
	Technology		●			●			●	
	Finance and Accounting			●		●	●		●	●
	Corporate Legal Affairs				●	●	●	●	●	
	Compliance				●	●	●	●	●	
	Risk Management	●	●		●	●		●	●	●
	Sustainability		●		●					
Governance	●		●	●	●		●		●	
M&A/ Capital Aarket			●	●	●	●	●		●	

End

1. Matters Concerning the State of the Corporate Group

(1) Business progress and results

a. Management environment and business development

Despite a moderate recovery, the global economy remained uncertain throughout the consolidated fiscal year due to persistent high prices, the lingering sluggish economy in China, geopolitical risks in multiple regions, and trade policies under the new U.S. administration. The economy remained strong in the U.S. due to increased consumer spending. However, capital investment was sluggish. In China, the economy made a brief rebound but remained sluggish as the real estate market, consumer spending, and other indicators failed to recover. Despite rising costs in Japan, the economy demonstrated a moderate recovery with improving employment and income conditions, strong inbound demand, and firm corporate earnings. In light of changes in the business environment surrounding the Fujitec Group, we announced a new five-year medium-term management plan, Move On 5, in May 2024, which we began executing this fiscal year. This plan encompasses the fundamental corporate changes we will pursue to achieve our underlying value. Under Move On 5, we plan to improve net sales to 325 billion yen, operating income to 44 billion yen, and operating income margin to 13.5% by fiscal 2028, achieving cross-organizational growth and efficiencies in every region and every business. We established three pillars as a companywide strategy to achieve these growth targets. The first pillar is selection and consolidation of regions and business mix. Under this pillar, we aim to improve profitability through clear strategic positioning in each region, defining the direction of efforts in each region and business. To accelerate the supervision and execution of each regional strategy, we established a specific implementation structure led by a regional director for each regional segment. In China, where the real estate recession continues, we are addressing major issues by restructuring our agency network through a review of contracts and reducing personnel, mainly in direct factory departments. The second pillar is high quality and high profitability. Here, we aim to improve margins through the collective efforts of the Fujitec Group while also enhancing quality, which is one of our strengths. As part of these measures, we pursue preventive maintenance systems using remote monitoring in each region. In Singapore, we became the first Japanese manufacturer to obtain the standard certification for elevator maintenance using remote monitoring, which is an initiative of the Singaporean government. These standards are the first of their kind, established in Singapore for the remote monitoring of maintenance in the countless high-rise buildings located the country to enhance elevator sustainability. In addition, we launched sales of the new Ele Gance standard elevator for the Japanese market in April. As the successor to the current flagship model, XIOR, this new elevator features enhanced design elements, ease of maintenance, and disaster countermeasures. We have made the main equipment more compact and lighter, contributing to greater installation efficiency and resource conservation during production. Furthermore, completed construction of Wisdom Square, a quality evaluation facility for elevators and escalators, in March 2025 and began phased operations in April. Wisdom Square is a quality-focused testing and verification facility designed to provide the highest quality products and services both in Japan and across global markets. Fujitec will strengthen our group-wide quality control system and sharpen our focus on quality—one of our core strengths. We are committed to delivering products and services that allow customers in Japan and worldwide to experience the high quality only a specialized manufacturer can provide. The third pillar is a strong business foundation, the SDGs, and other initiatives indispensable for pursuing these pillars. To strengthen our implementation framework for Move On 5, we established a group management system centered around the Management Committee while also clarifying roles and responsibilities. In addition, we set a target to reduce greenhouse gas emissions by 46% by fiscal 2030 (vs. fiscal 2019) to reduce our environmental footprint. One of our efforts in this area was our move to switch from diesel oil to biodiesel fuel for the four-ton trucks owned by Big Step, our R&D and production base for escalators. In recognition of these efforts, the Japan Management Association awarded Big Step with the GOOD FACTORY Award in 2025 (13th annual awards). We established 21 subcommittees to monitor our progress in these three pillars. Each subcommittee reports progress at monthly management meetings, where issues are identified and response measures formulated.

So far this fiscal year, we delivered a total of 102 elevators and escalators to Shibuya Sakura Stage, a large-scale complex facility in Shibuya, Tokyo. We also delivered a total of 92 elevators and escalators to TAKANAWA GATEWAY CITY, a redevelopment complex directly connected to JR Takanawa Gateway Station. The elevators link to security, cleaning, and delivery robots deployed throughout the city, enabling autonomous floor-to-floor

movement. Furthermore, we delivered a total of 47 elevators and escalators to Grand Green Osaka for the second phase of the Umekita redevelopment zone north of JR Osaka Station. In Hong Kong, we delivered 44 units of renovated elevators for Three Garden Road, two high-rise office buildings in the financial district. This delivery represented the largest number of elevators from the Fujitec Group used in an office renovation project. In terms of major orders this fiscal year, we received an order for 160 escalators for the Taipei Twins skyscraper under construction in Taipei City, Taiwan. In India, we received an order for 239 elevators for the Chennai Metro project (lines 3 and 5) planned in Chennai, located in the southern India.

As a result, Total orders received amounted to ¥256,493 million (up 10.5% year on year), consisting of ¥107,291 million in domestic orders received (up 13.3%) and ¥149,201 million in overseas orders received (up 8.5%; up 1.6% after excluding the impact of foreign exchange).

Total order backlog amounted to ¥284,564 million (up 10.2% year on year), consisting of domestic order backlog in the amount of ¥107,126 million (up 19.2%) and overseas order backlog in the amount of ¥177,438 million (up 5.3%; down 1.4% after excluding the impact of foreign exchange).

The average order unit price for domestic orders in the New Installation Business rose year on year as we engaged in selective order-taking. Even though the number of units ordered decreased, orders increased in terms of monetary volume. Our Aftermarket Business saw year-on-year growth in both the number of modernization projects received and their total value. Repair work and maintenance for elevators and escalators also rose due to an increase in the number of contracts and contract price revisions.

In terms of overseas orders, in East Asia, the New Installation Business saw a decrease in orders in Hong Kong. Orders increased in Taiwan and South Korea while the Aftermarket Business saw an increase in modernization projects in Hong Kong. In South Asia, orders in the New Installation Business increased mainly in India, while the Aftermarket Business saw increases in all regions. In the Americas and Europe, New Installation Business orders decreased in the U.S. and U.K. and Aftermarket Business orders increased in the U.K. and Canada.

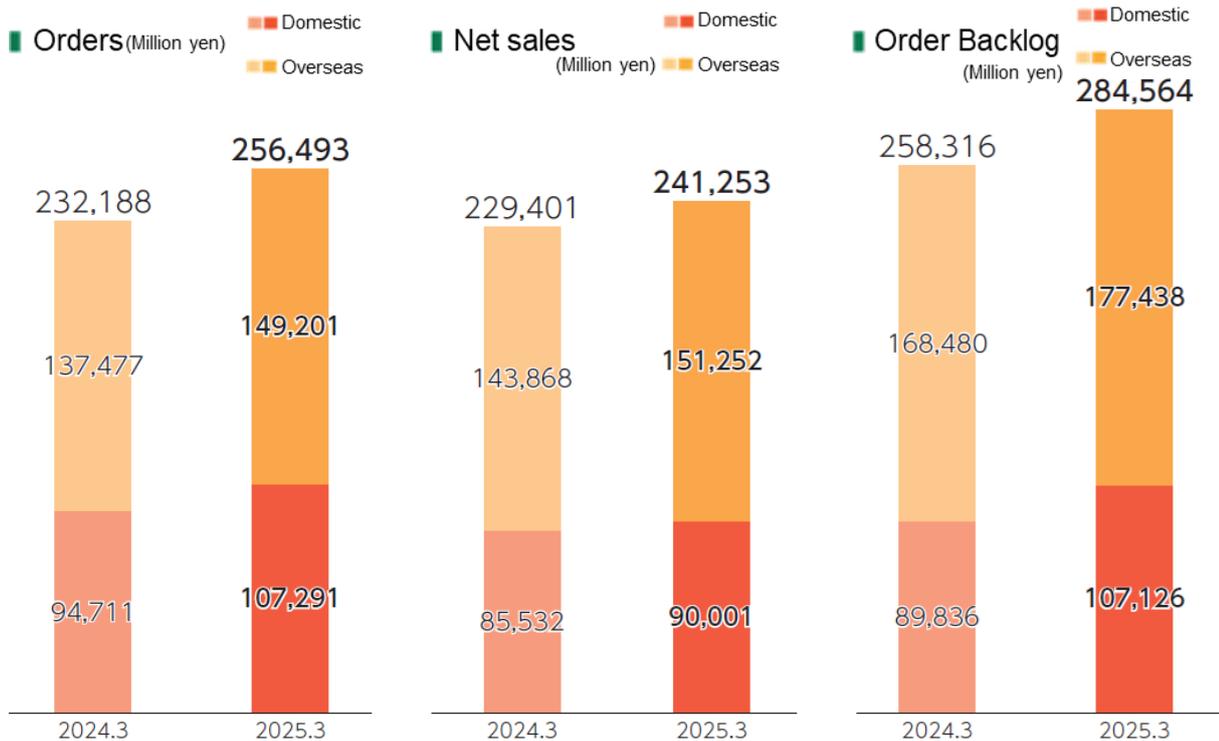
While sales for the cumulative consolidated quarter under review decreased in East Asia, other regions compensated for this decrease, current-year sales and profits increased year on year. Total net sales amounted to ¥241,253 million (up 5.2% year on year), consisting of ¥90,001 million in domestic net sales (up 5.2%) and ¥151,252 million in overseas net sales (up 5.1%; down 1.8% after excluding the impact of foreign exchange). Operating income was ¥16,171 million (up 11.0% year on year), Operating income margin was 6.7% (up 0.3 point), and ordinary income was ¥18,866 million (up 0.8%). Although gain on sales of investment securities increased due to the sale of cross-shareholdings, this was offset by the absence of the gain on sales of non-current assets of a consolidated subsidiary recorded in the previous period, and as a result, profit attributable to owners of parent amounted to ¥14,514 million (down 18.6% year on year) and Return On Equity (ROE) was 9.5% (down 3.4 point).

By Group Region: Orders and Net Sales

(Million yen)

	For the Fiscal Year Ended March 31, 2025 (Period 78)		For the Fiscal Year Ended March 31, 2024 (Period 77)	
	(From April 2024 to March 2025)	Composition Ratio (%)	(From April 2023 to March 2024)	Composition Ratio (%)
Orders	256,493	100.0%	232,188	100.0%
Domestic	107,291	41.8	94,711	40.8
Overseas	149,201	58.2	137,477	59.2
Net sales	241,253	100.0%	229,401	100.0%
Domestic	90,001	37.3	85,532	37.3
Overseas	151,252	62.7	143,868	62.7
Order backlog	284,564	100.0%	258,316	100.0%
Domestic	107,126	37.6	89,836	34.8
Overseas	177,438	62.4	168,480	65.2

(Note) The company consists of a single business, namely the Elevator, Escalator, and Electric Transport Device Business. We do not classify this business into multiple segments.



Net sales
¥241.2 billion
 YoY: +5.2%

Operating income
¥16.1 billion
 YoY: +11.0%

Operating income margin
6.7%
 YoY: +0.3pt

Ordinary income
¥18.8 billion
 YoY: +0.8%

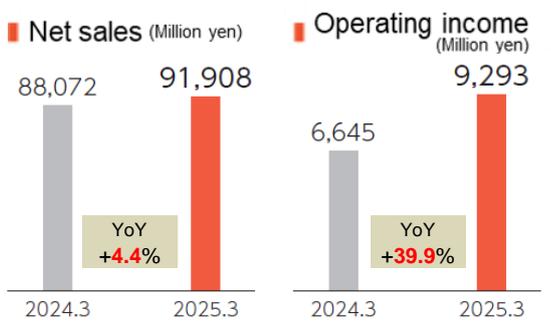
Profit attributable to owners of parent
¥14.5 billion
 YoY: -18.6%

ROE:
9.5%
 YoY: -3.4pt

b. Segment information by corporate group location

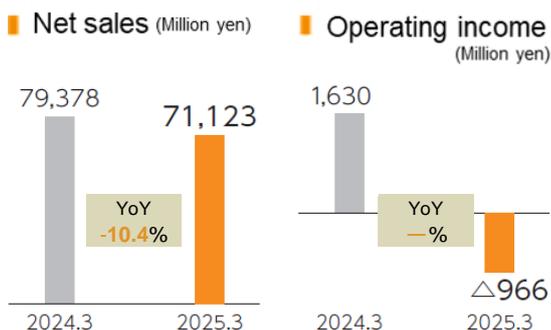
The following information highlights segment performance by location for the consolidated fiscal year under review:

Japan	Net sales	Operating income	Sales composition ratio	
	¥91.9 billion	¥9.2 billion	36.0%	



Net sales amounted to ¥91,908 million (up 4.4% year on year) as a result of increases in the New Installation Business and the Aftermarket Business. Operating income amounted to ¥9,293 million (up ¥2,648 million year on year) due to improved profitability in the New Installation and Aftermarket businesses, despite higher labor and material costs.

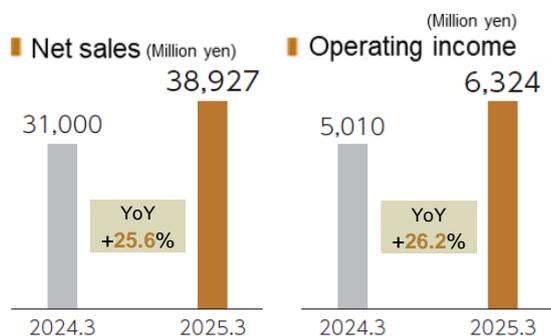
East Asia	Net sales	Operating income	Sales composition ratio	
	¥71.1 billion	¥(0.9) billion	27.8%	



Net sales amounted to ¥71,123 million (down 10.4% year on year; down 15.9% after excluding the impact of foreign exchange), despite increased sales in the Hong Kong Aftermarket Business. This decrease was mainly due to the impact of significantly fewer New Installation Business projects on hand and lower sales unit prices stemming from the prolonged real estate recession in China. Operating income amounted to ¥(966) million (down ¥2,596 million) despite support from a reduction in provision for losses on construction contracts in Taiwan and South Korea, as well as higher Aftermarket Business sales in Hong Kong. This overall decline was due to lower New Installation Business sales in China and the impact of one-time expenses.

South Asia

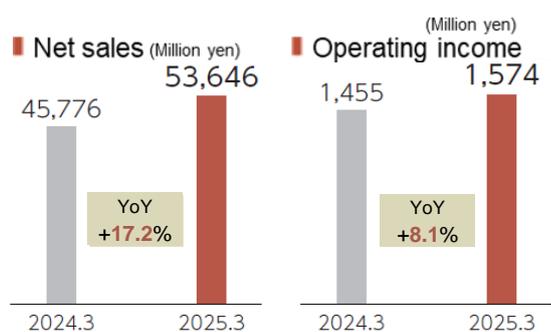
Net sales	Operating income	Sales composition ratio
¥38.9 billion	¥6.3 billion	15.2%



Net sales amounted to ¥38,927 million (up 25.6% year on year; up 16.8% after excluding the impact of foreign exchange) due to the performance of the New Installation Business in Singapore and India, as well as an increase in the Aftermarket Business in Singapore. Operating income amounted to ¥6,324 million (up ¥1,314 million) due to higher New Installation sales in India, despite a slight decline in profitability, mainly in the Aftermarket Business, due to higher material costs and labor costs in Singapore.

The Americas and Europe

Net sales	Operating income	Sales composition ratio
¥53.6 billion	¥1.5 billion	21.0%



Net sales amounted to ¥53,646 million (up 17.2% year on year; up 9.4% after excluding the impact of foreign exchange), driven by progress on large-scale New Installation projects in the U.S. and growth in the Aftermarket Business across all regions. Operating income amounted to ¥1,574 million (up ¥118 million) supported by sales volume growth in the Aftermarket Business, despite lower profitability on certain New Installation projects in the U.S.

(Note) Figures for net sales, operating income, and sales composition ratios are before segment adjustments. Segment adjustments amounted to ¥(14,352) million in net sales and ¥(55) million in operating income.

(2) Capital Investment and Financing

During the consolidated fiscal year under review, the Fujitec Group conducted a total of ¥8,223 million in capital investments. Of this amount, ¥6,563 million of capital investments were conducted within the Company, while ¥1,660 million of capital investments were conducted at consolidated subsidiaries.

(3) Issues to be Addressed

In light of changes in the business environment surrounding the Company, the Company announced a five-year medium-term management plan in May 2024, Move On 5, which entails fundamental corporate reforms to realize the Company's latent value. The Company will aim to evolve into an excellent company as Fujitec reborn, in the spirit of Continuity and Change with the long-term vision of establishing the industry's top trusted brand where everyone can experience the beauty and hospitality that only a specialized Japanese manufacturer can provide. Through these efforts, the Company will continue to provide safe and reliable products to people for the sustainable enhancement of the Company's corporate value. The strategic direction of Move On 5 is as described below.

Continuity...the essence of what the Company will continue to pursue without changing

- Pursue safety and security : Engage in product development in line with our philosophy of safety and security, preventing failures or accidents.
- Focus on quality : Conduct product development for the highest quality and ride comfort.
- Develop human resources : Develop global human resources with the necessary skills and capabilities, and foster a corporate culture that supports these human resources.

Change...new areas of focus

- Selection and consolidation : Define segments for regional businesses for improvement of company-wide margins, allocate resources appropriately, and clarify the direction of initiatives.
- Strengthen group management : Improve the global organizational infrastructure for further growth.
- Improve governance and communication : Establish the highest standards of corporate governance.

- In our pursuit of safety and security, we will engage in the following initiatives.
 - Conduct development in line with the concept of uncompromising safety and security
 - Collect elevator operation data automatically in the event of an earthquake
 - Visualize restoration needs and dispatch technicians promptly
 - Continue upgrades related to climate change and take measures to cope with disasters such as torrential rain.
 - Create systems to eliminate failures or accidents
 - Construct a quality lab to open in 2025
 - Conduct E2E safety testing of components from development through procurement, production, and installation
- In our focus on quality, we will pursue the following initiatives to deliver ride comfort developed through our luxury hotel business to as many customers as possible.
 - Develop products for the highest quality and ride comfort
 - Pursue quality and cost through component analysis, failure analysis, etc.
- In our developing human resources, we will continue to pursue safety and security and to focus on quality through the following initiatives.
 - Provide a healthy work environment that encourages employees to take on challenges, which reflects our organizational culture and fosters individual growth
 - Implement an evaluation and compensation system; improve the system as appropriate
 - Ensure all employees embrace the spirit of hospitality, strive for increased customer satisfaction, and earn high levels of trust
 - Develop the skills of professional engineers further through a wide variety of training programs

- In our selection and consolidation, pursuing the following initiatives to improve company-wide margins.
 - Clarify the strategic position of each region and formulate a *focus* and a *direction* for our efforts
 - Improve productivity and profitability of maintenance projects, incorporating the use of digital technology
 - Achieve cost reductions by optimizing the supply chain, introducing standard models, and using standard construction methods
 - Improve our SG&A ratio through standard and streamlined operations, upgraded IT infrastructure, and cost containment

- In our strengthening of group management, we will build a strong business foundation through the following initiatives.
 - Create an implementation/PMO structure with clearly defined roles and accountability for executing our medium-term plans
 - Establish KPIs, monitor business performance, supervise the progress of measures

- In our governance and communications, we will aim for the highest standards of corporate governance through the following initiatives.
 - Form a strong board of directors consisting of members from diverse backgrounds
 - Link management compensation to key indicators to ensure management commitment to results
 - Strengthen ESG management further

The Company will endeavor to accomplish medium-term management plan *Move On 5* under these terms, improving corporate value consistently and steadily.

(4) Changes in Assets and Income

Classification	Fiscal Year	Period 75 (From April 2021 to March 2022)	Period 76 (From April 2022 to March 2023)	Period 77 (From April 2023 to March 2024)	Period 78 (Current Consolidated Fiscal Year) (From April 2024 to March 2025)
Orders	(Million yen)	195,527	203,230	232,188	256,493
Net sales	(Million yen)	187,018	207,589	229,401	241,253
Ordinary income	(Million yen)	15,713	13,331	18,717	18,866
Profit attributable to owners of parent	(Million yen)	10,835	8,433	17,830	14,514
Net income per share	(yen)	133.42	106.67	228.55	185.99
Total assets	(Million yen)	220,609	230,098	256,402	262,257
Net assets	(Million yen)	140,482	144,117	165,177	170,635
Net assets per share	(yen)	1,549.83	1,640.29	1,901.28	1,994.06

(Notes) 1. Net income per share is calculated using the average number of shares during the period in question. The average number of common shares during the period is determined using the number of shares after deducting the number of treasury shares. The number of treasury shares as of the end of Periods 75, 76 and 77 includes shares held as an E-Ship Trust-Type Employee Shareholding Incentive Plan.

2. Major factors for changes in each consolidated fiscal year are as described below.

Period 75 ... Domestic net sales increased by 5.1% year on year, while overseas net sales increased by 13.9% over the same period, resulting in a year-on-year increase of 10.3% in net sales. Profits increased from the previous year due to an increase in dividend income and recognition of foreign exchange gains.

Period 76 ... Domestic net sales increased by 2.8% year on year, while overseas net sales increased by 16.3% over the same period, resulting in a year on year increase of 11.0% in net sales. Profit decreased year on year due to the Shanghai lockdowns, soaring raw materials costs, and other factors.

Period 77 ... Domestic net sales increased by 14.0% year on year, while overseas net sales increased by 8.5% over the same period, resulting in a year on year increase of 10.5% in net sales. Profits increased from the previous year due to an increase in operating income, as well as a gain on sales of property, plant and equipment of a consolidated subsidiary.

Period 78 ... This information is as provided in "1. Business Progress and Results" above.

(5) Major Parent Companies and Subsidiaries

a. Relationship with parent company

Not applicable.

b. Status of major subsidiaries

Company Name	Paid-in capital	Ownership Ratio	Main Business Lines
Fujitec America, Inc.	15,000 USD thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec Canada, Inc.	18,000 CAD thousands	100.00% (100.00%)	Sale, installation, maintenance, and repair of elevators and escalators
Fujitec Argentina S.A.	2,000 ARS thousands	100.00%	„
Fujitec (HK) Co., Ltd.	24,300 HKD thousands	100.00%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Huasheng Fujitec Elevator Co., Ltd.	708,040 CNY thousands	60.00%	„
Shanghai Huasheng Fujitec Escalator Co., Ltd.	106,760 CNY thousands	60.00% (60.00%)	„
Fujitec Shanghai Sourcing Center Co., Ltd.	389,124 CNY thousands	100.00%	Manufacture of elevators and other equipment
Fujitec Taiwan Co., Ltd.	300,000 TWD thousands	74.83%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec Korea Co., Ltd..	27,220,000 KRW thousands	100.00%	„
Fujitec Singapore Corpn. Ltd.	5,290 SGD thousands	85.62%	Sale, installation, maintenance, and repair of elevators and escalators
Fujitec India Private Ltd. PRIVATE LTD.	4,952,951 INR thousands	98.22% (10.62%)	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec UK Ltd.	12,516 GBP thousands	100.00%	Sale, installation, maintenance, and repair of elevators and escalators

(Notes) 1. Figures in parentheses in the Ownership Ratio column indicate the percentage of indirect ownership.

2. On March 3, 2025, the Company transferred all equity interest in Fujitec Canada Inc. and Elevadores EV International, S.A. de C.V that were the Company's consolidated subsidiary to consolidated subsidiary Fujitec America Inc. as a contribution in kind. As of the same date, Fujitec Canada Inc. and Elevadores EV International, S.A. de C.V become sub-subsidiaries of Fujitec Co., Ltd. As a side note, no change in scope of consolidation occurred due to this transaction, as this change is within the scope of consolidation.

(6) Main Business Lines

As a specialized manufacturer of elevators, escalators, and moving sidewalks, the Fujitec Group, consisting of Fujitec Co., Ltd. and 39 affiliated companies (including 24 consolidated subsidiaries), is engaged in the integrated business of manufacturing, sales, installation, maintenance, and repair on a global scale.

The Company has 2 manufacturing bases in Japan. Globally, group companies operate 10 manufacturing bases in North, Central America, East Asia, and South Asia, where elevators, escalators, and other products are manufactured. Group company sales bases in Japan and overseas are engaged in the sales, installation, maintenance, and repair of these products.

(7) Major Sales Offices and Factories

Fujitec Co., Ltd.	Head Office	591-1, Miyata-cho, Hikone, Shiga, Japan
	Tokyo Head Office	1-17-3 Shirokane, Minato-ku, Tokyo, Japan
	Sales Bases	Tokyo Metropolitan Area Control HQ (Minato-ku, Tokyo) Osaka Metropolitan Area Control HQ (Osaka city, Osaka) Hokkaido Branch (Sapporo city), Tohoku Branch (Sendai city), Kitakanto Branch (Saitama city), Higashikanto Branch (Chiba city), Hokushinetsu Branch (Kanazawa city), Yokohama Branch (Yokohama city), Shizuoka Branch (Shizuoka city), Nagoya Branch (Nagoya city), Kyoto/Shiga Branch (Kyoto city), Kobe Branch (Kobe city), Chugoku/Shikoku Branch (Hiroshima city), Kyushu Branch (Fukuoka city), Okinawa Branch (Naha city) Other Sales Offices, Services Centers and Safenet Centers, Parts Supply Center
	Manufacturing Bases	Big Wing (Hikone city, Shiga) Big Step (Toyooka city, Hyogo)
	R&D Centers, etc.	Product Development Center (Hikone city, Shiga) Human Resources Development Center (Ibaraki city, Osaka/Ota-ku, Tokyo)
Subsidiaries	Overseas Manufacturing Bases	Fujitec America, Inc. (U.S.A.) Elevadores EV International, S.A. de C.V. (Mexico) Fujitec India Private Ltd. (India) Fujitec Express Limited (India) Fujitec (HK) Co., Ltd. (Hong Kong) Fujitec Taiwan Co., Ltd. (Taiwan) Fujitec Korea Co., Ltd. (South Korea) Huasheng Fujitec Elevator Co., Ltd. (China) Shanghai Huasheng Fujitec Escalator Co., Ltd. (China) Fujitec Shanghai Sourcing Center Co., Ltd. (China)
	Overseas Sales Bases	Fujitec Singapore Corpn. Ltd. (Singapore) Fujitec Canada, Inc. (Canada) Fujitec UK Ltd. (U.K.), 18 other bases
	R&D Centers	Fujitec Shanghai Technologies Co., Ltd. (China)

(Note) Hokushinetsu Branch changed its name to Hokuriku Branch on April 1, 2025.

(8) Employees

a. Group employees

No. of Employees	Year-on-Year Change
11,777 persons	- 41 persons

(Note) The number of employees above represents the number of full-time employees, and does not include temporary employees.

b. Fujitec Co., Ltd. employees

No. of Employees	Year-on-Year Change	Avg. Age	Avg. Years of Service
3,336 persons	+ 84 persons	41.0 years-old	17.1 years

(Note) The number of employees above represents the number of full-time employees, and does not include temporary employees.

(9) Major Lenders

Lender	Amount of Loans
Mizuho Bank, Ltd.	2,821million yen

2. Matters Concerning Stock

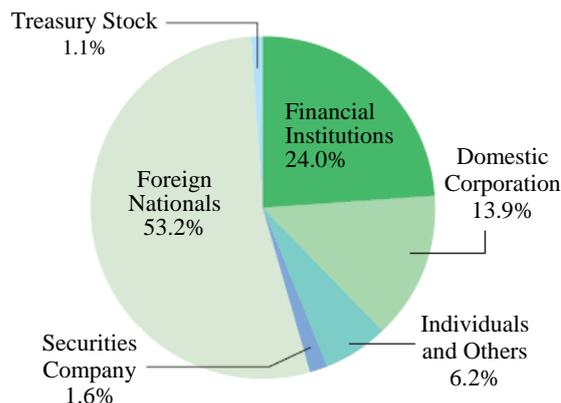
- a. Total number of authorized shares 300,000,000 shares
 b. Total number of shares issued 78,047,334 shares
 (excluding 852,666 shares in treasury stock)

- c. Number of shareholders 6,409 persons

(Note) Quarterly changes are as described below.

March, 31, 2024	8,062	persons
June, 30, 2024	5,831	persons
September, 30, 2024	5,863	persons
December 31, 2024	6,019	persons
March, 31, 2025	6,409	persons

Distribution of Shares by Shareholder



d. Major shareholders (Top 10)

Name of Shareholders	Equity in Fujitec	
	Number of shareholding	Ratio of shareholding
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,994	10.24
Uchiyama International Co., Ltd.	5,043	6.46
GOLDMAN SACHS INTERNATIONAL	4,454	5.71
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	3,308	4.24
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,254	4.17
Resona Bank, Ltd.	3,079	3.95
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRDPARTY	3,050	3.91
MOJAVE INVESTORS LTD.	2,759	3.54
GOLDMAN, SACHS & CO. REG	2,528	3.24
OASIS JAPAN STRATEGIC FUND LTD.	2,472	3.17

(Note) Ownership Ratio in the table above represents the ratio of shares held to the total number of issued shares, excluding 852,666 shares in treasury stock.

e. Shares granted to Company officers as of the end of the current fiscal year as compensation for the performance of duties

The Company has adopted a restricted stock compensation plan, and the details of stock compensation granted to Company officers as compensation for the execution of their duties during the fiscal year under review are as follows.

Classification	No. of shares	No. of eligible persons
	shares	persons
Directors (excluding outside directors)	2,308	3

(Notes) 1. The shares noted above were delivered via the disposal of treasury stock having a disposal date of August 16, 2024.

2. In addition to the foregoing, a total of 3,468 shares of treasury stock were issued as of the date of disposal, August 16, 2024, to 19 operating officers who did not concurrently serve as directors.

3. Matters Concerning Company Officers

(1) Directors and Members of the Audit & Supervisory Board

Positions	Name	Status of Responsibilities and Important Concurrent Positions
Representative Director, President, and CEO	Masayoshi Harada	
Representative Director Senior Executive	Takashige Nakajima	In Charge of Engineering and Production
Director	Kosuke Sato	In Charge of Administration, General Manager of Finance HQ
Director	Kaoru Umino	Partner, DLA Piper Tokyo Partnership Foreign Law Office Director, Lawyers for LGBT and Allies Network
Director	Torsten Gessner	
Director	Clark Graninger	Managing Director, WealthPark Capital, Inc. Representative Director, CFO, Reboot K.K.
Director	Ako Shimada	Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. Outside Director, KA Imaging Inc. General Counsel, Ushio Europe B.V.
Director	Anthony Black	President (Service), Husky Injection Molding Systems, Ltd.
Director	Shakil Ohara	Representative Director, Co-CEO, DIGIFIT Corporation
Member of the Audit & Supervisory Board (Standing)	Takeharu Igaki	
Member of the Audit & Supervisory Board (Standing)	Yoshitaka Nakao	
Member of the Audit & Supervisory Board	Yoshiyuki Yamasaki	Certified Public Accountant, Office of Yoshiyuki Yamasaki
Member of the Audit & Supervisory Board	Hiroyuki Hara	Director, Hiroyuki Hara Certified Public Accountant and Tax Accountant Office Outside Member of the Audit & Supervisory Board, Heiwa Paper Co., Ltd. Substitute Director who is an Audit and Supervisory Committee Member, Sinops Inc.

- (Notes) 1. Directors Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada, Anthony Black and Shakil Ohara are outside directors as stipulated in the Companies Act, and Members of the Audit & Supervisory Board Yoshiyuki Yamasaki and Hiroyuki Hara are outside members of the Audit & Supervisory Board as stipulated in the Companies Act.
Also, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada, Anthony Black, Shakil Ohara, Yoshiyuki Yamasaki, and Hiroyuki Hara have been designated as independent directors* based on the provisions of Tokyo Stock Exchange, Inc., and we have reported such to the exchange.
2. Directors Kaoru Umino, Torsten Gessner, Clark Graninger, Anthony Black, Shakil Ohara, and Members of the Audit & Supervisory Board Yoshiyuki Yamasaki and Hiroyuki Hara do not have any special conflict of interest with the Company.
3. Ms. Shimada is a Vice President, General Counsel and Corporate Secretary of Ushio America, Inc. and General Counsel of Ushio Europe B.V. There is a business relationship between parent company USHIO Inc. and the Company related to installation, maintenance, and other services ordered in relation to our products. Net sales to these subsidiaries in the Company's 78th fiscal year were less than 1 million yen.
4. Member of the Audit & Supervisory Board Takeharu Igaki has held key positions in the financial and accounting operations of the Company and our Chinese subsidiaries, and has considerable knowledge of finance and accounting matters.
5. Member of the Audit & Supervisory Board Yoshitaka Nakao has experience in managing the Company's Chinese subsidiaries, as well as serving as an operating officer of the Company, and has considerable knowledge of corporate management.
6. Member of the Audit & Supervisory Board Yoshiyuki Yamasaki is familiar with practical business in corporate auditing, acquisition investigations, and more as a certified public accountant, and has considerable knowledge of finance, accounting and tax affairs.
7. Member of the Audit & Supervisory Board Hiroyuki Hara is engaged in accounting audits and tax services as a certified public accountant and a tax accountant, and has considerable knowledge of finance, accounting and tax affairs.
8. Changes in the Current Fiscal Year were as follows.
(Appointment) Director Shakil Ohara and Members of the Audit & Supervisory Board Yoshitaka Nakao and Hiroyuki Hara were elected and appointed at the 77th Annual Meeting of Shareholders, held on June 26, 2024.
(Resignation) As of the conclusion of the 77th Annual Meeting of Shareholders held on June 26, 2024, Director Kazuhiro Mishina and Members of the Audit & Supervisory Board Yasuo Utsunomiya and Tatsuo Ikeda have completed their terms and resigned their positions.

9. Changes in Responsibilities and Important Concurrent Positions of Directors Occurring After the End of the Current Fiscal Year are as follows.

Name	After Change	Before Change	Date of Change
Kosuke Sato	In Charge of Administration	In Charge of Administration, General Manager of Finance HQ	April, 1, 2025
Ako Shimada	<ul style="list-style-type: none"> • Director, Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. • Outside Director, KA Imaging Inc. • General Counsel, Ushio Europe B.V. 	<ul style="list-style-type: none"> • Vice President, General Counsel and Corporate Secretary, Ushio America, Inc. • Outside Director, KA Imaging Inc. • General Counsel, Ushio Europe B.V. 	April, 1, 2025

10. The Company has entered into the indemnification agreement stipulated in Article 430-2, Paragraph 1 of the Companies Act with directors Masayoshi Harada, Takashige Nakajima, Kosuke Sato, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada, Anthony Black and Shakil Ohara and members of the Audit & Supervisory Board Takeharu Igaki, Yoshitaka Nakao, Yoshiyuki Yamasaki and Hiroyuki Hara, whereby the Company will indemnify them for expenses under Item 1 and losses under Item 2 of this Paragraph to the extent permitted by law. In order to ensure that such indemnification agreements do not impair the appropriateness of the execution of duties, the Company does not indemnify each director or members of the Audit & Supervisory Board for losses, etc. for which he/she is liable due to malicious intent or gross negligence in the performance of his/her duties.

11. The Company entered into a liability insurance contract for officer and director liability insurance as provided in Article 430-3.1 of the Companies Act for Company and subsidiary directors and members of the Audit & supervisory Board as insured parties. The contract covers the amount of compensation, costs of disputes, etc., in the event that an insured party is subject to a claim of liability for damages arising from the execution of his or her duties. The Company bears the cost of all insurance premiums. To ensure the proper execution of duties by the insured parties, the contract in question establishes a certain deductible amount, and any damages not reaching this deductible amount are not covered. In addition, certain exemptions exist, including the non-payment for damages caused by the commission of a crime or other violation of laws and regulations.

(*Standards for appointment of independent directors)

Having provided an explanation to independent directors at a meeting of the board of directors, the Company may, upon gaining the understanding, recommendation, or agreement of said independent directors, appoint an individual as independent director who is not subject to any of the items below. The Company may also appoint such an individual who is subject to any of the items b. through h. below if the Company has reason to believe said individual possesses the ability to make appropriate independent decisions in light of the individual's character, expertise, etc., said individual may be appointed independent director pursuant to a resolution of the board of directors, under the condition that said reasoning has been explained externally.

- a. An executive director, executive officer, or manager or other employee of the Company or any of its subsidiaries (or a person who has held an equivalent position within the past 10 years)
- b. (i) A person who is a shareholder owning 10% or more of Company voting shares, or, when said shareholder is a corporation owning 10% or more of Company voting shares, a director, member of the Audit & Supervisory Board, accounting advisor, executive officer, executive director, or manager or employee of said parent company or important subsidiary (or person who has held an equivalent position within the past five years)
(ii) A person who is a director, member of the Audit & Supervisory board, accounting advisor, executive officer, executive director, or manager or employee of a company of which the Company owns 10% or more of voting shares
- c. (i) A person who has paid the Company an amount representing 2% or more of the Company's consolidated net sales related to business transactions with the Company in the current fiscal year (or a party who has paid an equivalent or greater annual amount in any of the most-recent three fiscal years of the Company)
(ii) A person to whom the Company or a Company subsidiary has paid an amount representing 2% or more of said person's consolidated net sales related to business transactions with said person in the current fiscal year (or a person to whom the Company has paid an equivalent or greater annual amount in any of the most-recent three fiscal years of said person)
(iii) In the case where the person related the transaction referred to in (i) or (ii) above is a corporation, the executive director, executive officer, corporate officer, or manager or other employee of the said company, its parent company, or important subsidiary
- d. Directors, officers, or employees in charge of business execution at public interest foundations, public interest incorporated associations, non-profit corporations, or other organizations that have received donations or grants from the Company or its subsidiaries in excess of an average of 10 million yen per year or 30% of the annual total expenses of said organization, whichever is greater, over the past three years
- e. Directors, members of the Audit & Supervisory Board, accounting advisors, executive officers, or corporate officers of companies or their subsidiaries that accept full-time or part-time directors from the Company or its subsidiaries
- f. Directors, members of the Audit & Supervisory Board, accounting advisors, executive officers, corporate officers, managers, or other employees of financial institutions or other major creditors, or their parent companies or important subsidiaries, who are indispensable to the Company's financing and on whom the Company depends to the extent that there is no substitute available (or who have held an equivalent position in the past three years)
- g. (i) A representative, partner, or employee (or person involved in actual, not auxiliary, services) of an audit corporation of the Company or Company subsidiary or certified public accountant, tax accountant, audit corporation, or tax accountant corporation involved in the accounting of the Company or Company subsidiary (or person who has held an equivalent position within the past three years)
(ii) Lawyers, certified public accountants, tax accountants, or other consultants not subject to (i) above, who have received monetary or other financial benefits from the Company or company subsidiary in the amount of 10 million yen or more per year on average for the past three years
(iii) A person who is a representative, partner, associate, or employee of a law firm, audit corporation, tax accountant corporation, consulting firm, or other professional advisory firm not subject to either (i) or (ii) above, who has received payments from the Company or Company subsidiary in an amount of 2% or more of total net sales on average over the past three years
- h. A spouse, relative within the second degree of kinship, or relative living in a household with a person subject to any of the items a. through g. above, or a person whose spouse, relative within the second degree of kinship, or relative living in the same household is subject to any of the items a. through g. above
- i. A person who may have a permanent and substantial conflict of interest with the Company's general shareholders for reasons other than those considered in items a. through h. above

(2) Matters Concerning Outside Officers

a. Relationships between the Company and entities in which an outside officer holds an important concurrent position

Relationships between the Company and entities in which outside officers serve in concurrent positions are as provided in “(1) Directors and Members of the Audit & Supervisory Board” above.

b. Relationship with the Company or the Company’s Specified Related Business Entity

To the best of the Company’s knowledge, no outside officers are spouses or relatives within the third degree of kinship to executives or officers (excluding officers who are executives) of the Company or the Company’s specified related business entity.

c. Status of Major Activities During the Current Fiscal Year

Positions	Name	Status of Major Activities and Summary of Duties Performed With Respect to the Expected Role
Outside Director	Kaoru Umino	Ms. Umino attended all 12 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. As the Chairperson of the Board of Directors, she has encouraged candid discussions among the diverse board members, as well as she tenaciously provided leadership in the Company’s governance reforms, and she continues to monitor the Company’s efforts in the establishment of an internal structure.
	Torsten Gessner	Mr. Gessner attended all 12 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. Based on his over 30 years of experience as a leader in the global elevator industry, he focused discussions on enhancing corporate value, and building on his support of management in the preparation process of the medium-term management plan while utilizing international benchmarks, he has played a crucial role in its implementation process.
	Clark Graninger	Mr. Graninger attended all 12 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. Based on his 20 years of professional experience in the financial industry, he is responsible for the external liaison function of the Company’s engagement activities, and as the medium-term management plan commences, he continues to reflect the voices of the investor community in the Board of Directors’ discussions and decision-making.
	Ako Shimada	Ms. Shimada attended all 12 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. While taking on the role of bringing a fresh perspective to the Company’s head office divisions, she also mitigates friction that arises in implementing numerous reforms with her quiet leadership style. Furthermore, as Chairperson of the Nomination and Compensation Advisory Committee, she oversees the process of selecting the Company’s executive candidates and determining executive compensation, among other responsibilities.
	Anthony Black	Mr. Black attended all 12 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. Drawing on his 35 years of professional experience at a global leader in the elevator industry, he serves to offer perspectives that differ from conventional approaches to the Company’s operation, thereby stimulating the workplace. And having encouraged participating members to challenge ambitious targets during the formulation process of the medium-term management plan, he now provides support to its implementation process from the sidelines.
	Shakil Ohara	After assuming the position of Director, Mr. Ohara attended all 10 meetings of the Board of Directors held during the current fiscal year, and made appropriate remarks on agenda items and deliberations, mainly in management overall. Drawing on his extensive experience in international business management, including management experience in growth markets such as India and Southeast Asia, he provides superior advice from diverse perspectives as the Company considers measures to enhance corporate value. Furthermore, as a member of the Nomination and Compensation Advisory Committee, he oversees the process of selecting the Company’s executive candidates and determining executive compensation, among other responsibilities.
	Outside Members of the Audit & Supervisory Board	Yoshiyuki Yamasaki
Hiroyuki Hara		After assuming the position of Member of the Audit & Supervisory Board, Mr. Hara attended 9 of 10 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board held during the current fiscal year, and was proactive in making remarks from his specialized standpoint as a certified public accountant and tax accountant.

(Note) Ms. Ako Shimada, Chairperson of the Nomination and Compensation Advisory Committee, an advisory body to the board of directors, Mr. Shakil Ohara, member of the same committee, attended all 4 meetings of said committee held during the fiscal year under review.

(3) Remuneration of Directors and Members of the Audit & Supervisory Board for the Current Fiscal Year

a. Matters concerning resolutions of the general meeting of shareholders for remuneration of directors and members of the Audit & Supervisory Board

At the 75th Annual Meeting of Shareholders, held on June 23, 2022, shareholders approved remuneration for company directors up to an amount of 550 million yen per annum (of which, the annual amount for outside directors is up to 100 million yen, and from which the employee salaries of employee-directors are excluded). As of the conclusion of the Annual Meeting of Shareholders in question, Fujitec had nine directors (six of whom were outside directors). The amount of the annual retainer for members of the Audit & Supervisory Board was set at 60 million yen or less at the 60th Annual Meeting of Shareholders held on June 27, 2007. As of the conclusion of the Annual Meeting of Shareholders in question Fujitec had three members of the Audit & Supervisory Board.

Separate from this monetary remuneration, a resolution was passed at the 74th Annual Meeting of Shareholders held on June 22, 2021 to grant restricted stock compensation to the Company's directors (excluding outside directors) in accordance with the activities of their duties and their contribution to the Company's business performance, etc. The amount of restricted stock compensation and the number of shares to be granted shall be no more than ¥100 million per year (not including employee salaries for directors who also serve as employees) and no more than 200,000 shares per year. With this resolution, the stock compensation-type stock option plan approved at the 66th Annual Meeting of Shareholders held on June 25, 2013 (under which stock acquisition rights shall be issued at an annual amount not exceeding ¥100 million) was abolished, except for those shares already granted. As of the conclusion of the Annual Meeting of Shareholders in question, Fujitec had four directors (excluding outside directors).

At the extraordinary general meeting of shareholders held on February 24, 2023, the amount of individual base remuneration for each newly appointed outside director will be set at 12,500,000 yen per person per fiscal year. Shareholders resolved to grant post-delivery stock-based remuneration to outside directors (not limited to newly appointed outside directors) as medium-term incentive compensation. No share price conditions have been set for said post-delivery stock-based remuneration. As of the conclusion of the extraordinary general meeting of shareholders in question, Fujitec had six outside directors (four of whom were new outside directors).

b. Matters concerning policies for deciding details of individual director compensation

With regard to policy for decisions on systems related to director compensation (excluding outside directors) and agenda submission to the General Meeting of Shareholders, the Company shall make decisions via resolution of the board of directors, more than half the membership of which shall consist of independent outside directors. The basic policy in question shall be to provide incentives for improving the corporate value of the Company on an ongoing basis, as well as to encourage a greater sense of shared value with shareholders. An overview of this decision-making policy is as follows.

- (i) For performance-linked remuneration (bonuses) and remuneration other than performance-linked (base remuneration and the granting of restricted stock-based compensation), performance of duties and contribution level to business performance shall be evaluated at a target ratio of approximately 1:2.
- (ii) For fixed monthly monetary remuneration, base remuneration paid to each director shall be calculated in consideration of examples at other companies, as well as in consideration of the responsibilities, activity status, etc., of each individual director.
- (iii) Restricted stock will be granted in according to issuance price, timing, and conditions as determined by resolution of the board of directors in accordance with the activities of each director in his or her assigned duties and the degree of contribution to business performance.
- (iv) As performance-linked remuneration, to enhance motivation for short- and medium-term performance improvement, the bonus to be paid within four months after the end of the current fiscal year, using the operating income of the previous fiscal year as a performance indicator, will be considered with adjustments (increase or decrease) based on the achievement level. In addition, individual payment amounts will be determined according to factors such as activities of each director in charge and their degree of contribution to business performance, etc.

The table below shows target and actual operating income for each fiscal year from fiscal 2017 through fiscal 2024 (current fiscal year under review). The table also shows the number of directors eligible for performance-linked remuneration and the total amount of remuneration paid.

Operating income (million yen)				Number of Directors Eligible for Performance-Linked Remuneration		Total Remuneration to Directors Eligible for Performance-Linked Remuneration (million yen)			
Fiscal Year	Target	Actual	Achievement Level	Fiscal Year	No.	Base Compensation	Bonuses	Transfer-Restricted Share Compensation	Total
Fiscal 2023 (Period 77)	3,400	6,645	195.4%	Fiscal 2024 (Period 78)	3	102	50	10	163
Fiscal 2022 (Period 76)	6,300	2,111	33.5%	Fiscal 2023 (Period 77)	6	103	57	10	170
Fiscal 2021 (Period 75)	5,400	5,440	100.7%	Fiscal 2022 (Period 76)	4	104	27	11	143
Fiscal 2020 (Period 74)	5,000	5,330	106.6%	Fiscal 2021 (Period 75)	5	145	71	16	232
Fiscal 2019 (Period 73)	5,200	4,891	94.1%	Fiscal 2020 (Period 74)	4	150	69	—	219
Fiscal 2018 (Period 72)	5,800	5,206	89.8%	Fiscal 2019 (Period 73)	4	163	67	—	231
Fiscal 2017 (Period 71)	5,700	5,728	100.5%	Fiscal 2018 (Period 72)	4	156	67	—	224
Fiscal 2016 (Period 70)	5,200	5,445	104.7%	Fiscal 2017 (Period 71)	5	144	67	—	212

The details of remuneration for individual directors described above have been discussed at meetings of the Board of Directors, consisting of a majority of independent outside directors. Further, since February 2021, we have conducted a comprehensive review of said details, including a review by the Nomination and Compensation Advisory Committee on the consistency of decision policies. With due respect given to the content of this report, we have determined that the details described above are consistent with the decision policy in question.

c. Matters concerning delegation of decisions on individual director compensation

Individual compensation amount, etc., of directors is deliberated and determined by the Board of Directors, where a majority are independent outside directors. Regarding the details of these decisions, consults with and receives a report from the Nomination and Compensation Advisory Committee to ensure their appropriateness and transparency.

Furthermore, in April 2023, the Board of Directors, after consulting with the said committee and receiving a report from the committee, resolved to pay outside directors in office from March 2023 onwards individual base compensation of JPY 12,500,000 per person per fiscal year, paid on a monthly basis.

d. Total Amount of Remuneration of Directors and Members of the Audit & Supervisory Board

Classification of officers	Number of officers covered	Total amount of remuneration by type				Total amount of remuneration
		Base Compensation	performance-linked remuneration, etc.	Non-monetary remuneration, etc.		
			Bonuses	Transfer-Restricted Share Compensation	Post-delivery stock-based compensation	
		million yen	million yen	million yen	million yen	million yen
Director (Outside directors, included)	10 (7)	177 (75)	50 (-)	10 (-)	32 (32)	271 (107)
Member of the Audit & Supervisory Board (Outside members, included)	6 (3)	60 (19)	- (-)	- (-)	- (-)	60 (19)
Total	16	237	50	10	32	331

- (Notes) 1. Amounts paid to directors do not include the portion of salaries representing employee compensation for directors who serve concurrently as employees, nor expenses incurred in directors' execution of duties.
2. The number of directors and their remuneration includes the number of individuals and amount paid to 1 director who retired during the current fiscal year (1 outside director).
3. The number of members of the Audit & Supervisory Board and their remuneration includes the number of individuals and amount paid to 2 members of the Audit & Supervisory Board who retired during the current fiscal year (1 outside member of the Audit & Supervisory Board).
4. As of the conclusion of the 60th Annual Meeting of Shareholders held on June 27, 2007, the company has abolished the directors' retirement benefits system.
5. The amount of bonuses is the provision for director bonuses for the current fiscal year.

4. Matters Concerning Financial Statement Auditors

(1) Name Grant Thornton Taiyo LLC

(2) Amount of Remuneration

Classification	Amount of Remuneration
Amount of Remuneration for the Current Fiscal Year	39 million yen
Total Amount of Monetary and Non-Monetary Benefits Payable by the Company and its Subsidiaries to the Financial Statement Auditor	39 million yen

(Notes) 1. After submission and reports of necessary materials from the financial statement auditor and related departments within the Company, the Audit & Supervisory Board checks and examines the appropriateness of the contents of the financial statement auditor's audit plan and the performance of financial statement audit duties, as well as the basis for the auditor's calculations made in remuneration estimates. As these checks and examinations have resulted in the Audit & Supervisory Board's determination that these items are appropriate, we have agreed upon a remuneration amount for the financial statement auditor.

2. The audit agreement between the Company and the financial statement auditor does not and cannot classify audit fees for audits under the Companies Act and the Financial Instruments and Exchange Act. Accordingly, we have listed the total fee herein.

3. Fujitec (HK) Co., Ltd. and 11 other substantial subsidiaries of the Company are audited by certified public accountants (or audit corporations) other than the Company's financial statement auditor.

4. Three subsidiaries of consolidated subsidiary Fujitec Singapore Corpn. Ltd. and one subsidiary of Fujitec Argentina S.A., as well as Fujitec America, Inc., Fujitec Korea Co., Ltd. and Fujitec Shanghai Sourcing Center Co., Ltd. have paid remuneration of 43 million yen for audit attestation work and remuneration of 2 million yen for non-audit work to Grant Thornton, which belongs to the same network as the Company's financial statement auditor

(3) Policy for Determination of Dismissal or Non-Reappointment of Financial Statement Auditor

The Audit & Supervisory Board shall dismiss the financial statement auditor with the consent of all of its members at such time as the financial statement auditor becomes subject to any of the items of Article 340-1 of the Companies Act. In addition, if it is recognized that the financial statement auditor is impeded in the performance of their duties, or if it is deemed appropriate to change the financial statement auditor to improve the appropriateness of audits, the Audit & Supervisory Board shall determine the content of the resolution regarding the selection, dismissal, or non-reappointment of the financial statement auditor.

(4) Matters related to orders of suspensions of business operations that Financial Statement Auditor received in the past two years

The following is a summary of disciplinary actions announced by the Financial Services Agency on December 26, 2023.

i. Subject of the disciplinary action

Grant Thornton Taiyo LLC

ii. Details of the disciplinary action

- Suspension of business operations related to the signing of new contracts for three months (from January 1, 2024, to March 31 of the same year. However, this disciplinary action exempts term renewals of audit engagement contracts and new audit engagement contracts in connection with initial public offerings for auditees with whom audit engagement contracts are already signed.)
- Business improvement order (improvement of business management systems)
- The prohibition of any member who has a significant responsibility for the reason for the disciplinary action from being involved in a part of the audit firm's business (examination related to audit services) for three months (from January 1, 2024, to March 31 of the same year)

iii. Reason for disciplinary action

In the audit of the amendment reports of other companies, two certified public accountants, who are members of the same audit firm, failed to exercise due care and certified that the financial statements with material misstatements were free from material misstatements.

5. Structures for Assuring the Appropriateness of Business Operations

The Company's Board of Directors has made a resolution as follows regarding the Basic Policy for Internal Controls. Based on this policy, the Company has established structures for assuring the appropriateness of business operations

1. Systems to ensure that the execution of duties by directors and employees of the Company and its subsidiaries complies with laws, regulations, and the Company's Articles of Incorporation
 - a. The Company shall establish the "Fujitec Global Mission Statement", "Fujitec Philosophy of Human Resource Management", and "Fujitec Corporation Action Rules" and shall provide them to the Company and its subsidiaries in order to promote compliance across the entire corporate group in its operation and management.
 - b. Directors and corporate officers of the Company and its subsidiaries shall take the initiative to carry out and comply with the "Fujitec Global Mission Statement", "Fujitec Philosophy of Human Resource Management", and "Fujitec Corporate Action Rules", and shall work towards establishing and maintaining a robust corporate culture as a member of society by conforming to social norms and ethics.
 - c. The Company's Board of Directors shall supervise the execution of the duties of the directors, in addition to making decisions concerning important business operations of the Company in accordance with laws, regulations, and the Company's Articles of Incorporation. In the decision-making process, the Company's Board of Directors will listen to opinions of outside experts as necessary, and make a proper and reasonable judgment based on the fair and objective advice and opinions of outside directors and members of the Audit & Supervisory Board.
 - d. The Company's Directors shall report immediately to the Company's Board of Directors if they find any problem with respect to compliance with laws, and regulations or the Company's Articles of Incorporation in the course of the execution of their duties.
 - e. The Company shall establish the "Internal Audit Office" as a department independent from the executive department. In order to achieve effective management targets, the Internal Audit Office shall, pursuant to the "Basic Rules on Internal Control," examine the effectiveness of the risk management, control and governance processes of the Company and its subsidiaries, and based on this evaluation, shall provide opinions, advice, recommendations and support for improvement, and shall make reports to the Company's Board of Directors on a regular basis.
 - f. In order to promote compliance on a group-wide basis, the Company shall establish the "Compliance Committee" to formulate and oversee the implement the Company's compliance program which shall include guidance and education for employees.
 - g. The Company shall promote, on a group-wide basis, including its main subsidiaries, the establishment and utilization of the "Compliance Hotline" to collect information from employees that would not usually be collected through the organizational ladder and to conduct investigations into such information and, if the Company identifies a violation or suspected violation of laws and regulations, to take appropriate measures to rectify or remedy such violation or suspected violation.
 - h. In order to prevent damage to the Company that may be inflicted by anti-social forces, the Company shall decide on a company policy which, among others, provides that the Company must never accept unreasonable claims from anti-social forces, and the Company shall keep every director, auditor, and employee informed about this company policy.
2. Systems regarding the preservation and management of information pertaining to the execution of duties by directors
 - a. The Company shall establish rules regarding management, preservation method, and preservation period for various types of documents and records pertaining to the execution of the duties of directors of the Company in accordance with the Company's Rules on Document Management, and shall make such rules available for inspection at any time.
 - b. In order to properly preserve and manage information, prevent the leakage of information, and detect the risk of leakage at an early stage, the Company shall establish an Information Security Policy, make it known on a group-wide basis, and shall establish the "Information Security Committee" to implement measures to properly preserve and manage information in accordance with the Information Security Policy.
3. Rules and other systems related to the management of the risks of loss on the Company and its subsidiaries
 - a. The Company shall establish the "Regulations for Fujitec Group Risk Management" stipulating the risk controls over the Company and its subsidiaries, and generally manage the group wide risks hereunder.

- b. The Company shall establish the "Risk Management Committee", to be chaired by the president, to effectively implement group-wide risk management systems for the purpose of achieving early detection and prevention of the risks of loss to the Company and its subsidiaries. In addition, the Company shall establish the "Risk Management Operation Committee" as an advisory body to the "Risk Management Committee" to ensure the effectiveness of the group-wide risk management systems.
 - c. If it is likely that there is a risk of damage to the Company or its subsidiaries caused by sudden events of natural disaster or others, the Company shall establish the "Task Force Headquarters", as necessary, to take prompt measures to prevent or avoid damage according to the "Risk Management Regulations" and other internal rules.
4. Systems to ensure the efficient execution of duties by directors of the Company and its subsidiaries
 - a. The Company shall establish the group mid-term business plan every multiple fiscal years and, in accordance herewith, set focused business targets and budget allocation on an annual basis.
 - b. The Board of Directors may delegate its authority to corporate officers, clarifying the scope of their authority and responsibilities in accordance with the resolution of the Board of Directors and the Company's internal regulations, to ensure adequate and efficient execution of duties by corporate officers.
 - c. Corporate officers shall provide and share information with the "Executive Committee" and "Management Committee" with respect to important matters to achieve the Company's management goals, and shall make a report or submit a proposal to the Board of Directors as necessary after having reviewed and deliberated on various measures related to the matters referred to the committee.
 - d. The Company shall facilitate the smooth and prompt transfer of information pertaining to the execution of the duties of directors, mutual communication between directors, and the deliberation of directors, by making effective use of its information communication equipment, such as the company intranet and online conferencing systems.
 5. Systems related to reports to the Company on the execution of duties by directors of the Company's subsidiaries and other systems to ensure the proper operation of the corporate group comprising the Company and its subsidiaries
 - a. Pursuant to the internal rules and regulations, the Company shall receive periodic reports from its subsidiaries on their operating results, financial condition and personnel and other important business matters, and, if it is likely that there is a risk of damage to a subsidiary caused by sudden events of natural disaster or others, occurrence based reports on such situations. Based on such reports, if corporate officers consider that there are important issues to achieve the management goals for the entire corporate group, the Company's corporate officers concerned shall review and deliberate on various measures related to the issues of the "Executive Committee" and "Management Committee", and, as necessary, conduct monitoring, supervision and instruction on the status of business operation of the subsidiaries.
 - b. Only if the Company finds it is particularly necessary for the business operation of subsidiaries, the Company shall transfer or dispatch its directors or corporate officers to the subsidiaries in order to conduct supervision or execution of business operation of the subsidiaries.
 6. Matters regarding employees assisting with members of the Audit & Supervisory Board, ensuring the independence from directors of those employees and the effectiveness of directions to those employees

The Company shall assign personnel who are exclusively responsible for assisting with the duties of members of the Audit & Supervisory Board to an office which is independent from the management department, and require those personnel to follow orders from members of the Audit & Supervisory Board according to the office regulations. The opinions of the members of the Audit & Supervisory Board shall be fully respected in relation to personnel evaluations, transfers, and disciplinary action.
 7. Systems for directors and employees of the Company to report to members of the Audit & Supervisory Board, systems for directors, members of the Audit & Supervisory Board, executive members of its subsidiaries, other people who are equivalent to these people, employees, or people who received reports from these people to report to members of the Audit & Supervisory Board, systems regarding reporting to members of the Audit & Supervisory Board, and systems to ensure the effective audit by members of the Audit & Supervisory Board
 - a. Directors shall immediately report to members of the Audit & Supervisory Board in the event that they recognize any problem concerning compliance of laws and regulations or the Company's Articles of Incorporation during the course of the execution of their duties.

- b. Members of the Audit & Supervisory Board shall attend meetings of the “Board of Directors” and the “Executive Committee” and “Management Committee”, to understand the status of business operations regarding important matters and issues set forth in Article 5, (a) of this policy. Members of the Audit & Supervisory Board shall have the right to inspect the minutes of important meetings and other important documents relating to the management of the business, and to request an explanation from directors and corporate officers on any matter.
 - c. Members of the Audit & Supervisory Board shall regularly receive explanations from accounting auditor and the “Internal Audit Office” regarding their respective audit polices and the status of any audits, and shall exchange information with them.
 - d. The “Internal Audit Office” shall report to members of the Audit & Supervisory Board periodically or in a timely manner on the status of internal audits etc. regarding, among other things, compliance, risk control, the Compliance Hotline of the Company and its subsidiaries.
8. Systems to ensure that persons who provide information to members of the Audit & Supervisory Board of the Company do not and will not receive unfair treatment for providing such information
- The Company shall, according to internal rules and regulations, prohibit unfair treatment against executives and employees of the Company and its subsidiaries who provide information to members of the Audit & Supervisory Board of the Company for providing such information and conduct proper information management regarding the identity of those executives and employees and the contents of any provided information.
9. Matters regarding policies for handling expenses or debts arising from the execution of duties by members of the Audit & Supervisory Board, including procedures for obtaining advance payment or reimbursement of expenses arising from the execution of duties by members of the Audit & Supervisory Board
- a. To contribute to the smooth execution of an audit plan by members of the Audit & Supervisory Board, the Company shall beforehand calculate the expenses necessary to perform the duties required by such plan, and post the annual budget.
 - b. When members of the Audit & Supervisory Board request the Company to make an advance payment, reimbursement or payment to creditors for expenses set forth in each item of Article 388 of the Japanese Companies Act arising from the execution of duties by members of the Audit & Supervisory Board, the Company shall, through screening by its relevant department, pay such requested expenses without delay except in case where it proves that the expense relating to such request is not necessary for the execution of the duties of members of the Audit & Supervisory Board.

6. Overview of the Operation Status of Structures for Assuring the Appropriateness of Business Operations

The Company has implemented and operates in accordance with the aforementioned policies. The following is a summary of major initiatives conducted during the fiscal year under review. Since the COVID-19 pandemic, the digitalization of socioeconomic activities has continued to accelerate through telework, remote communication, and other channels. Taking these environmental changes under consideration, we are reviewing and updating various systems while engaging in appropriate information-sharing and communication methods within the Company.

1. Compliance structure

The Compliance Committee discusses and implements policies for the Group, including the Company and its subsidiaries. In addition to disclosing the "Management Philosophy," the "Management and Human Resources Philosophy," the "Corporate Code of Conduct," and other related policies and regulations through the Group's website and by other means, The Compliance Committee is working on establishing and updating a system for disseminating and effectively implementing compliance-related knowledge and other related matters, and providing various training materials and information on the Compliance Consultation Desk, an internal reporting hotline, and other consultation services to officers and employees working at major locations in Japan and overseas.

2. Risk and information management structure

Based on the Group's risk management system and Risk Management Regulations, we formulated activity plans and reviewed the results of the activities and risk assessments based on those plans during the current fiscal year. Based on the risks identified through risk assessments conducted by each division and subsidiary, the Risk Management Committee reviewed and formulated the Group's annual risk countermeasure priorities at the beginning of fiscal year, monitored the status of these activities, and evaluated them at the end of the fiscal year. For global corporations, we have established a system based on the Fujitec Group Risk Management Policy, which provides the Fujitec Group's basic approach to risk management, and ensures proper management by requesting reports on risk management. In addition, we formulate and practice appropriate policies based on the *Crisis Management Regulations*. In September, we conducted a mock drill based on our business continuity plan (BCP), which simulated an earthquake occurring in the Nankai Trough. Following the disclosure of governance countermeasures in December 2023, we revised the existing takeover defense manual (Extraordinary General Meeting Edition) and developed a crisis response manual and related party transaction guidelines.

The Information Security Committee provides support and guidance, and engages in other activities related to the handling and management of information within the group based on the Information Security Policy.

3. Audit system

For the purpose of enhancing monitoring by members of the Audit & Supervisory Board regarding the status of important business execution, the progress of accounting audits and internal audits, etc., standing members of the Audit & Supervisory Board attend the "Management Committee", where the operating officers in charge of the Group's major business areas report on their operational status, etc., and the "Executive Committee", which deliberates on proposals to be submitted to the Board of Directors as an internal decision-making body and discusses various issues. Furthermore, members of the Audit & Supervisory Board visited overseas subsidiaries as necessary to investigate the status of their business and assets. In addition, they attended the "Risk Management Committee" meetings, etc., to monitor the deliberation status of important management issues. Moreover, the "Three-Party Audit Liaison Meeting", where members of the Audit & Supervisory Board, the accounting auditors, and the internal auditors exclusively belonging to the "Internal Audit Office" gather to explain the status of each audit, etc., is held regularly.

7. Basic Policy on Management Control

(1) Basic policy overview

Since our inception in 1948, Fujitec Co., Ltd. has specialized in the manufacture of elevators, escalators and moving walkways. The Company has global operations that include manufacturing, sales, and maintenance services.

Fujitec Group has 12 manufacturing bases and a large number of sales offices in 24 different countries and regions worldwide. Our operating framework pursues the best possible performance in line with the goal of optimizing consolidated financial results. This organization strives to conduct operations with deep local roots, while providing for collaboration among group companies on a global scale. Our group is dedicated to developing products that target a diverse range of global market needs. At the same time, we pursue a global production and sourcing system by which group companies supply product parts and other items to each other to control expenses and maintain outstanding quality. Through these efforts, we strive to improve our power to develop and supply excellent products. The Fujitec Management Philosophy is “Respecting people, technologies and products, we collaborate with people from nations around the world to develop beautiful and functional cities that meet the needs of a new age.” In the pursuit of this philosophy, we strive to satisfy all stakeholders, including shareholders, customers, users, suppliers, residents of communities, employees and others, through sustained growth and consistent profitability; cultivates advanced skills in R&D, manufacturing technologies and business field; supplies reliable, high quality products. We offer a maintenance and modernization approach to build long-term, trusting relationships with customers and users. The above philosophy also supports our efforts to achieve the following goals through our business activities, to contribute to the industrial progress and economic growth of countries worldwide, to play a part in cultural enrichment and mutual understanding among peoples all over the world, and to promote the spirit of mutual harmony and prosperity with all stakeholders. We believe that the commitment of the entire Fujitec Group to translating this philosophy into concrete action represents the source of the group’s corporate value, and will lead to the preservation and enhancement of both our corporate value and our shareholders’ common interests.

For these reasons, the Company believes that an entity or group attempting to make a large-scale purchase of Fujitec stock that could be detrimental to the preservation and enhancement of corporate value and common shareholder interests would not be appropriate for managing decision-making related to our financial affairs and business activities.

(2) Overview of special initiatives to achieve the basic policy

i. Outline of initiatives to utilize property effectively, to form an appropriate corporate group, and otherwise achieve the basic policy

In light of changes in the business environment surrounding the Company, the Company announced a five-year medium-term management plan in May 2024, Move On 5, which entails fundamental corporate reforms to realize the Company's latent value. The Company will aim to evolve into an excellent company as Fujitec reborn, in the spirit of Continuity and Change with the long-term vision of establishing the industry's top trusted brand where everyone can experience the beauty and hospitality that only a specialized Japanese manufacturer can provide. Through these efforts, the Company will continue to provide safe and reliable products to people for the sustainable enhancement of the Company's corporate value. The strategic direction of Move On 5 is as described below.

Continuity...the essence of what the Company will continue to pursue without changing

- Pursue safety and security : Engage in product development in line with our philosophy of safety and security, preventing failures or accidents.
- Focus on quality : Conduct product development for the highest quality and ride comfort.
- Develop human resources : Develop global human resources with the necessary skills and capabilities, and foster a corporate culture that supports these human resources.

Change...new areas of focus

- Selection and consolidation : Define segments for regional businesses for improvement of company-wide margins, allocate resources appropriately, and clarify the direction of initiatives.
- Strengthen group management : Improve the global organizational infrastructure for further growth.
- Improve governance and communication : Establish the highest standards of corporate governance.

ii. Overview of measures to prevent decisions on Company financial and business policies from being controlled by persons who are inappropriate in consideration of the Basic Policy on Management Control

Fujitec will require any large-scale purchaser of company shares to provide information in a sufficient and necessary manner to allow shareholders to make appropriate judgments as to the propriety of such large-scale purchases, while also disclosing the opinions, etc., of our board of directors and securing time for our shareholders to conduct a review. In this way and others, we will take appropriate measures based on the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations.

Consolidated Financial Statements

Consolidated Balance Sheets

(As of March, 31, 2025)

(Millions of yen)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	195,424	Current liabilities	87,238
Cash and cash equivalents	82,942	Notes and accounts payable-trade	19,380
Notes and accounts receivable-trade and contract assets	90,343	Electronically recorded obligations-operating	3,493
Merchandise and finished goods	4,018	Short-term debt	4,126
Work in process	3,023	Current portion of long-term debt	45
Raw materials and supplies	14,409	Accrued income taxes	3,616
Other	6,519	Provision for bonuses	4,071
Allowance for doubtful accounts	(5,833)	Provision for director bonuses	50
Non-current assets	66,833	Provision for losses on construction contracts	9,071
Property, plant and equipment	44,325	Provision for warranties for completed construction	1,945
Buildings and structures	24,308	Provision for shareholder benefit program	71
Machinery and equipment	5,973	Advances from customers	24,089
Tools, furniture and fixtures	3,198	Other	17,275
Land	7,280	Non-current liabilities	4,383
Leased assets	2,716	Long-term debt	119
Construction in progress	847	Deferred tax liabilities	135
Intangible assets	5,803	Net defined benefit liability	1,977
Goodwill	1,762	Asset retirement obligations	54
Other	4,040	Other	2,097
Investments and other assets	16,705	Total liabilities	91,622
Investments securities	7,844	Net assets	
Long-term loans receivable	1,422	Shareholders' equity	135,806
Net defined benefit asset	2,139	Paid-in capital	12,533
Deferred tax assets	2,558	Additional paid-in capital	14,559
Other	3,526	Retained earnings	110,826
Allowance for doubtful accounts	(785)	Treasury stock	(2,113)
		Accumulated other comprehensive income	19,824
		Valuation difference on available-for-sale securities	2,466
		Deferred gains or losses on hedges	(2)
		Foreign currency translation adjustments	16,643
		Remeasurements of defined benefit plans	716
		Stock acquisition rights	25
		Non-controlling interests	14,979
		Total net assets	170,635
Total assets	262,257	Total liabilities and net assets	262,257

Consolidated Statements of Income

(April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount	
Net sales		241,253
Cost of sales		186,816
Gross profit		54,436
Selling, general and administrative expenses		38,265
Operating income		16,171
Other income		
Interest income	2,489	
Dividend income	290	
Foreign exchange gains	133	
Rent income	196	
Miscellaneous income	604	3,715
Other expenses		
Interest expenses	404	
Loss on the net monetary position	347	
Miscellaneous loss	268	1,019
Ordinary income		18,866
Special gain		
Gain on sales of property, plant and equipment	72	
Gain on sales of investment securities	2,395	2,467
Special loss		
Loss on sales of property, plant and equipment	2	
Loss on retirement of property, plant and equipment	18	
Impairment loss	412	
Business restructuring expenses	924	1,358
Profit before income taxes		19,975
Income taxes expense	5,779	
Deferred taxes expense	1,648	7,428
Net income		12,547
Loss attributable to non-controlling interests		(1,966)
Profit attributable to owners of parent		14,514

Consolidated Statements of Changes in Shareholders' Equity (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity					Total Shareholders' equity
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock		
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)
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)
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

Notes to Consolidated Financial Statements

Significant matters that serve as the basis for preparing consolidated financial statements

1. Matters on the scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 24

Names of major consolidated subsidiaries

Fujitec America, Inc. (USA)
Fujitec Singapore Corpn. Ltd. (Singapore)
Huasheng Fujitec Elevator Co., Ltd. (China)
Fujitec (HK) Co., Ltd. (Hong Kong)

(2) Names of major non-consolidated subsidiaries

Major non-consolidated subsidiary: Fujitec Saudi Arabia Co., Ltd. (Saudi Arabia)

Reason for exclusion from scope of consolidation

All non-consolidated subsidiaries are small in scale, with none of total assets, net sales, net income (commensurate with equity holdings), or retained earnings (commensurate with equity holdings) exerting any important influence on consolidated financial statements, and have therefore been excluded from the scope of consolidation.

2. Matters on application of the equity method

(1) Number of non-consolidated subsidiaries for which the equity method is applied, and names of major companies

Not applicable.

(2) Names of non-consolidated subsidiaries for which the equity method is not applied

Non-consolidated subsidiaries for which the equity method is not applied (Fujitec Saudi Arabia Co., Ltd., etc.), when considering indicators such as net income (commensurate with equity holdings) and retained earnings (commensurate with equity holdings), would have minor impact on consolidated financial statements if excluded from application of the equity method and, further, are not important overall. Therefore, they have been excluded from the scope of application of the equity method.

3. Matters on accounting policies

(1) Valuation standards and methods for significant assets

a. Valuation standards and methods for securities

Non-consolidated subsidiaries and affiliated companies...Moving average cost method

Other securities

- Items other than stocks, etc., with no market price Market value method (all valuation differences are reported as a component of shareholders' equity, and selling cost is calculated by the moving average method)
- Stocks, etc., with no market price Moving average cost method

b. Valuation standards and methods for derivatives..... Market value method

c. Valuation standards and methods for inventories

Costs calculated mainly via the specific identification method or gross average method (values on the balance sheet are calculated by writing down the book value based on the decline in profitability).

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

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

The straight-line method is primarily used.

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

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

b. Intangible assets (excluding leased assets)

The straight-line method is applied.

Note that for software used in-house, the straight-line method based on the period of internal use (5 years) is used.

c. Leased assets

- Leased assets related to finance lease transactions without transfer of ownership

The straight-line method is used, the useful life is defined as the lease period, and zero residual value is assumed.

For some foreign subsidiaries, financial statements are prepared in accordance with IFRS or U.S. GAAP, and either IFRS 16 (Leases) or ASU No. 2016-02 (Leases) is applied. In accordance with IFRS 16 or ASU No. 2016-02, lessees are generally required to recognize all leases as assets and liabilities on their balance sheets.

(3) Standards for the recognition of significant allowances

- a. Allowance for doubtful accountsTo prepare for bad debt expenses on receivables such as accounts receivable and loans receivable, the Company records an allowance for doubtful accounts based on the historical write-off rate for ordinary receivables. The estimated amount of unrecoverable debt is recorded based on the recoverability of individual cases for specified receivables such as debt with a possibility of default.
- b. Provision for bonusesThe Company provides an allowance for the payment of bonuses to employees based on the estimated payment amount.
- c. Provision for director bonusesThe Company provides an allowance for the payment of bonuses to directors at an amount based on the estimated payment amount.
- d. Provision for losses on construction contractsTo prepare for future losses related to ordered work, loss is expected among the undelivered work at the end of the current consolidated fiscal year, and an estimated loss amount is recorded for work where this amount can be reasonably estimated.
- e. Provision for warranties for completed constructionTo cover uncharged compensation costs related to completed work, an estimated amount of uncharged compensation costs expected to occur in the future is recorded against net sales of completed work.
- f. Provision for shareholder benefit programThe Company records an allowance for expenses expected to be incurred under the shareholder benefit program.

(4) Other significant matters for preparing consolidated financial statements

a. Matters on the fiscal years of consolidated subsidiaries

The fiscal year for all consolidated subsidiaries closes on December 31. In preparing consolidated financial statements, financial statements as of this day are used, making necessary adjustments for important transactions occurring between this day and the consolidated closing date.

b. Standards for recognition of significant revenue and expenses

• New installation work

The Company is engaged in the construction of new elevators, escalators, and other equipment. The Company recognizes revenue based on the progress of completion of performance obligations for construction contracts over a certain period of time. 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. 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.

• Modernization projects

The Company performs modernization work on elevators, escalators, and other equipment. The Company recognizes revenue based on the progress of completion of performance obligations for construction contracts over a certain period of time. 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.

• Maintenance

The Company provides maintenance services 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. The Company measures progress for these services based on elapsed time.

• 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.

c. Accounting treatment for defined benefits

To prepare for defined benefits for employees, an amount is recorded based on the expected amount for the current consolidated fiscal year, subtracting pension assets from defined benefit obligations.

• Method for period attribution of expected defined benefit amount

When calculating defined benefit obligations, the method of attributing expected defined benefit amounts to the period up to the end of the current consolidated fiscal year shall be based on the benefit formula.

• Method for amortization of actuarial variances and expenses for past service

Actuarial variances are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence of each consolidated fiscal year, starting from the consolidated fiscal year following each occurrence.

Expenses for past service are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence.

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 obligation and retirement benefit expenses, using the amount payable at the end of the fiscal year for retirement benefits as the retirement benefit obligation.

d. 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 financial closing 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 financial closing 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 and 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 financial closing date in order to apply hyperinflationary accounting. Note that in the event of significant fluctuation in exchange rates between the financial closing date of an overseas subsidiary and the consolidated financial closing date, items on the balance sheets of the overseas subsidiary will be converted into yen at the exchange rate on the consolidated financial closing date.

e. Amortization method and amortization period of goodwill

Amortization of goodwill is done under the straight-line method over a period of 5 to 14 years.

f. Hedge accounting method

• Hedge accounting method

In principle, treatment is done on a deferred hedge accounting basis.

• Hedging methods and hedging targets

<u>Hedging method</u>	<u>Hedging target</u>
Foreign currency contract	Foreign currency denominated transactions

• Hedge 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.

• Hedge effectiveness assessment method

Hedging effectiveness is assessed by comparing the cumulative changes in cash flows of the hedged items or market fluctuations with the cumulative changes in cash flows of the hedging instruments or market fluctuations on a semi-annual basis, based on the amount of change in both.

Notes on accounting estimates

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

Provision for losses on construction contracts

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

Provision for losses on construction contracts 9,071 million yen

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

The Group records an estimated amount of loss in the event that, of the undelivered work at the end of the consolidated fiscal year, there is a high probability that total cost of the work in question will exceed the total revenue of work, and that the expected loss amount can be reasonably estimated. The total cost of work is calculated from available information, such as contract details and actual costs from past work with the same model. Assumptions used in this calculation will fluctuate due a variety of factors, including contract changes, construction conditions, and trends in materials/outsourcing prices. Therefore, estimates will be continuously re-verified and revised.

If these estimates are revised, or if actual manufacturing costs incurred differ from estimates, such may have a significant impact on provision for loss on construction contracts and gross profit for the next 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 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 as 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 adoption of the Revised Guidance 2022 has no effect on the consolidated financial statements or per-share information of the Company.

Supplemental information

Hyperinflation Accounting

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

Notes to the consolidated balance sheets

1. Collateral assets

The following describes assets pledged as collateral and secured debts.

Buildings and structures	2,158	million yen
Machinery and equipment	41	million yen
Land	310	million yen
Total	2,511	million yen
Short-term debt	771	million yen
Current portion of long-term debt	29	million yen
Long-term debt	119	million yen
 2. Accumulated depreciation for property, plant and equipment	 45,585	 million yen

Notes to consolidated statements of changes in shareholders' equity

1. Class and number of shares issued

Class of stock	Balance at the beginning of the current consolidated fiscal year (thousand shares)	Increase in shares in the current consolidated fiscal year (thousand shares)	Increase in shares in the current consolidated fiscal year (thousand shares)	Balance at the end of the current consolidated fiscal year (thousand shares)
Common stock	78,900	—	—	78,900

2. Matters on dividends

(1) Cash dividends paid

Resolution	Class of stock	Total dividend value (millions of yen)	Dividends per share (yen)	Record date	Effective date
June 26, 2024 General Meeting of Shareholders	Common stock	9,363	120.00	March 31, 2024	June 27, 2024
November 8, 2024 Board of Directors	Common stock	5,852	75.00	September 30, 2024	December 2, 2024

(2) Dividends with a cut-off date during the fiscal year, but an effective date subsequent to the current fiscal year

We have proposed the following matters related to dividends for shareholders of common stock as an agenda item for the ordinary general meeting of shareholders to be held on June 26, 2025.

Resolution	Class of stock	Total dividend value (millions of yen)	Source of dividend	Dividends per share (yen)	Record date	Effective date
June 26, 2025 General Meeting of Shareholders	Common stock	7,024	Retained earnings	90.00	March 31, 2025	June 27, 2025

3. Class and number of shares eligible for stock acquisition rights (excluding those for which the first day the grantee may exercise these rights has not occurred) as of the end of the current consolidated fiscal year

Common stock: 28 thousand shares

Notes on financial instruments

1. Matters on the status of financial instruments

(1) Policy on financial instruments

The Group raises capital investment funds primarily for the production, sale, installation, and maintenance of elevators, escalators, and electric transport devices through internal funds or debts. Temporary surplus is managed with highly secure financial assets, and short-term working capital is procured through internal funds or short-term debts. Derivatives are used to mitigate the risk of exchange rate and interest rate fluctuations and are not traded on speculation as a matter of policy.

(2) Details, risks, and risk management systems for financial instruments

Notes and accounts receivable-trade, which represent operating receivables, are exposed to the credit risk of business partners. For these risks, the Company has a system whereby we manage due dates and balances for each business partner in accordance with credit management rules, as well as regularly determine the credit status of its major partners. Similar management is carried out at consolidated subsidiaries. Foreign currency-denominated trade receivables arising from the Group's global business operations are exposed to exchange rate fluctuation risk. This risk is hedged using futures exchange contracts as necessary.

Stocks as part of held investment securities are exposed to market price fluctuation risk; however, these are mainly stocks for companies with which we have a business relationship. Furthermore, we are regularly checking fair market value and continuously reviewing our status of holdings in consideration of our relationships with partners.

Most notes and accounts payable-trade and electronically recorded obligations-operating are operating receivables that become due within one year. In addition, some of these are denominated in foreign currencies due to the import of raw materials, etc., and are exposed to exchange rate fluctuation risk. However, these constantly remain within the same scope of the balance of foreign currency-denominated accounts receivable.

Short-term debt is mainly used for financing related to business transactions, while long-term debt is mainly used for procuring funds necessary for capital investment.

Derivatives are futures contracts for the purpose of hedging against the risk of exchange fluctuations related to foreign currency deposits. For derivative transactions, the Group conducts transactions for the purpose of risk hedging within the finance department of each Group company. The results are reported to the Company's Finance Headquarters and the director in charge of finance. Derivative transactions are only conducted with financial institutions with high credit ratings to reduce credit risk.

(3) Supplementary information on fair values of financial instruments

Fair values of financial instruments include prices based on market prices and prices calculated rationally in the absence of market prices. As price calculations incorporate variable factors, these values may also fluctuate if different assumptions are used. For contract amounts related to derivative transactions in 2. Matters on the fair value of financial instruments, amounts do not indicate market risk related to derivative transactions.

2. Matters on the fair value of financial instruments

The following table describes the carrying amount, fair value, and gains or losses related to financial instruments on the consolidated balance sheet as of March 31, 2025.

(Millions of yen)

	Carrying value on consolidated balance sheets	Market value	Net balance
(1) Cash and deposits (*2)	83,081	83,071	(9)
(2) Notes and accounts receivable-trade and contract assets (Before exclusion of allowance of doubtful accounts) (*3)	65,860	61,408	(4,452)
(3) Investments securities (*1) Other securities	6,849	6,849	—
(4) Long-term loans receivable (Before exclusion of allowance of 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)
Derivative transactions (*6) Items treated under hedge accounting	(5)	(5)	—
Total derivative transactions	(5)	(5)	—

(*1) 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	Carrying value on consolidated balance sheets (Millions of yen)
Unlisted stocks	118
Shares of subsidiaries and associates	875

(*2) 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.

(*3) Contract assets are not included.

(*4) Long-term debt includes the portion scheduled for repayment within one year.

(*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.

3. Matters related to 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

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investments securities				
Other securities				
Bonds	—	44	—	44
Stock	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 not carried at face value on the consolidated balance sheets

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 exclusion of allowance of doubtful accounts) (*)	—	61,408	—	61,408
Long-term loans receivable (Before exclusion of allowance of 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 are 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 are 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

Fair value is classified as Level 2 fair value, as fair value is calculated by discounting total principal and interest by the rate assumed in the case of a similar new transaction.

Lease obligations

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

Notes to revenue recognition

1. Disaggregation of revenues arising from customer contracts

(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
Revenue 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 cost of work. This is a contract whereby the construction work in question creates an asset that cannot be converted to another 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 the construction, the Company has determined that we can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the costs incurred. In addition, our new construction contracts include complimentary maintenance services provided for a certain period after completion and handover. We treat these maintenance services as a separate performance obligation, allocate the transaction price based on their independent sales price, and recognize revenue over time in proportion to the passage of time. Independent sales price is estimated by considering various factors such as market conditions and actual cost performance. Consideration for transactions is generally received within approximately one year from the satisfaction of performance obligations.

(2) Aftermarket

The Company provides maintenance, repair and modernization services for elevators and escalators. For maintenance work, the Company recognizes revenue over time as we 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 another 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 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

(1) Contract assets and contract liabilities

(Millions of yen)

	Beginning of period	Period-end balance
Claims 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 contract liability balance at the beginning of the period, the amount recognized as revenue during the period was 13,096 million yen.

(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 fulfilled 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 Par.19 of Implementation Guidance on Accounting Standard for Revenue Recognition.

Notes on per-share information

Net assets per share	1,994.06 yen
Net income per share	185.99 yen
Diluted earnings per share	185.90 yen

Notes to 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 elevators and escalators

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

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

(2) Date of business combination

March, 3, 2025

(3) Legal form of business combination

We 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.

(Note) Amounts stated in consolidated financial documents are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Balance Sheets

(As of March, 31, 2025)

(Millions of yen)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	49,213	Current liabilities	23,424
Cash and cash equivalents	18,092	Notes payable - trade	4
Notes receivable - trade	1,463	Accounts payable - trade	2,638
Accounts receivable-trade	23,651	Electronically recorded obligations-operating	3,493
Merchandise and finished goods	760	Accounts payable - other	4,519
Work in process	113	Accrued expenses	431
Raw materials and supplies	4,516	Accrued income taxes	2,464
Prepaid expenses	416	Advances from customers	3,722
Short-term loans receivable	0	Deposits received	299
Accounts receivable - other	65	Provision for bonuses	3,042
Other	136	Provision for director bonuses	50
Allowance for doubtful accounts	(2)	Provision for losses on construction contracts	1,192
Non-current assets	67,596	Provision for warranties for completed construction	105
Property, plant and equipment	28,848	Provision for shareholder benefit program	71
Buildings	15,851	Other	1,387
Structures	304	Non-current liabilities	126
Machinery and equipment	3,266	Asset retirement obligations	54
Vehicles	33	Other	72
Tools, furniture and fixtures	2,170		
Land	6,657		
Construction in progress	564		
Intangible assets	807	Total liabilities	23,551
Software	712	Net assets	
Right of using facilities	95	Shareholders' equity	90,765
Investments and other assets	37,939	Paid-in capital	12,533
Investments securities	6,968	Additional paid-in capital	14,568
Shares of subsidiaries and associates	16,596	Legal capital surplus	14,565
Investments in capital of subsidiaries and associates	9,270	Other additional paid-in capital	2
Long-term loans receivable	1,414	Retained earnings	65,777
Bankruptcy reorganization claims	0	Legal retained earnings	1,337
Long-term prepaid expenses	109	Other retained earnings	64,440
Prepaid pension expenses	1,092	Reserve for advanced depreciation of non-current assets	70
Deferred tax assets	1,296	Reserve for dividends	900
Lease deposits	1,593	Reserve for research and development	800
Reserve for insurance	48	General reserve	3,500
Other	335	Retained earnings brought forward	59,169
Allowance for doubtful accounts	(785)	Treasury stock	(2,113)
		Valuation and translation adjustments	2,466
		Valuation difference on available-for-sale securities	2,466
		Stock acquisition rights	25
		Total net assets	93,257
Total assets	116,809	Total liabilities and net assets	116,809

Statements of Income (April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount	
Net sales		91,908
Cost of sales		63,593
Gross profit		28,314
Selling, general and administrative expenses		19,020
Operating income		9,293
Other income		
Interest income	183	
Dividend income	24,284	
Foreign exchange gains	55	
Miscellaneous income	139	24,662
Other expenses		
Interest expenses	79	
Miscellaneous loss	41	120
Ordinary income		33,836
Special gain		
Gain on sales of property, plant and equipment	4	
Gain on sales of investment securities	2,395	2,400
Special loss		
Loss on sales of property, plant and equipment	1	
Loss on retirement of property, plant and equipment	6	
Impairment loss	16	25
Profit before income taxes		36,211
Income taxes expense	3,595	
Deferred taxes expense	253	3,849
Net income		32,362

Non-Consolidated Statements of Changes in Shareholders' Equity (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity										
	Paid-in capital	Additional paid-in capital			Retained earnings						
		Legal capital surplus	Other additional paid-in capital	Total additional paid-in capital	Legal retained earnings	Other retained earnings					Retained earnings Total
					Reserve for advanced depreciation of non-current assets	Reserve for dividends	Reserve for research and development	General reserve	Retained earnings brought forward		
Balance at the beginning of the current fiscal year	12,533	14,565	8	14,574	1,337	73	900	800	3,500	42,020	48,631
Change during the current fiscal year											
Reversal of reserve for advanced depreciation of non-current assets						△3				3	—
Dividends from surplus										△15,216	△15,216
Net income										32,362	32,362
Purchases of treasury stock											
Cancellations of treasury stock			△5	△5							
Net changes of items other than shareholders' equity											
Total changes during the current fiscal year	—	—	△5	△5	—	△3	—	—	—	17,149	17,145
Balance at the end of the current fiscal year	12,533	14,565	2	14,568	1,337	70	900	800	3,500	59,169	65,777

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of the current fiscal year	(2,155)	73,584	4,806	4,806	35	78,425
Change during the current fiscal year						
Reversal of reserve for advanced depreciation of non-current assets		—				—
Dividends from surplus		(15,216)				(15,216)
Net income		32,362				32,362
Purchases of treasury stock	(0)	(0)				(0)
Disposal of treasury stock	41	35				35
Net changes of items other than shareholders' equity			(2,339)	(2,339)	(10)	(2,349)
Total changes during the current fiscal year	41	17,181	(2,339)	(2,339)	(10)	14,832
Balance at the end of the current fiscal year	(2,113)	90,765	2,466	2,466	25	93,257

Notes to Non-Consolidated Financial Statements

Matters on material accounting policies

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

Subsidiaries and affiliated companies Moving average cost method

Other securities

- Items other than stocks, etc., with no market price Market value method (all valuation differences are reported as a component of shareholders' equity, and selling cost is calculated by the moving average method)

- Stocks, etc., with no market price Moving average cost method

(2) Valuation standards and methods for inventories

Costs calculated via the specific identification method or gross average method (values on the balance sheet are calculated by writing down the book value based on the decline in profitability)

2. Method of depreciation for non-current assets

(1) Property, plant and equipment (excluding leased assets) Declining-balance method

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

Buildings and structures 3-50 years

Machinery and equipment 2-12 years

Tools, furniture and fixtures 2-16 years

(Petty sum depreciable assets) For petty sum depreciable assets with acquisition price between 100,000 and 200,000 yen, these are amortized with the straight-line method over a period of three years based on provisions of the Corporation Tax Law.

(2) Intangible assets (excluding leased assets) The straight-line method is used.

Note that for software used in-house, the straight-line method based on the period of internal use (5 years) is used.

(3) Leased assets

- Leased assets related to finance lease transactions without transfer of ownership

.....The straight-line method is used, the useful life is defined as the lease period, and zero residual value is assumed.

3. Standards for the recognition of allowances

(1) Allowance for doubtful accounts ... To prepare for bad debt expenses on receivables such as accounts receivable and loans receivable, the Company records an allowance for doubtful accounts based on the historical write-off rate for ordinary receivables. The estimated amount of unrecoverable debt is recorded based on the recoverability of individual cases for specified receivables such as debt with a possibility of default.

(2) Provision for bonuses ... The Company provides an allowance for the payment of bonuses to employees based on the estimated payment amount.

(3) Provision for director bonuses ... The Company provides an allowance for the payment of bonuses to directors at an amount based on the estimated payment amount.

(4) Provision for losses on construction contracts ... To prepare for future losses related to ordered work, loss is expected among the undelivered work at the end of the current fiscal year, and an estimated loss amount is recorded for work where this amount can be reasonably estimated.

(5) Provision for warranties for completed construction ... To cover uncharged compensation costs related to completed work, an estimated amount of uncharged compensation costs expected to occur in the future is recorded against net sales of completed work.

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

(7) Provision for retirement benefits ... To prepare for defined benefits for employees, an amount is recorded based on the expected amount of defined benefit obligations and pension assets as of the end of the current fiscal year.

- Method for period attribution of expected defined benefit amount

When calculating defined benefit obligations, the method of attributing expected defined benefit amounts to the period up to the end of the current fiscal year shall be based on the benefit formula.

- Method for amortization of actuarial variances and expenses for past service

Actuarial variances are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence of each fiscal year, starting from the fiscal year following each occurrence.

Expenses for past service are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence.

Unrecognized actuarial gains and losses and unrecognized past service expenses are handled differently on the balance sheet than on consolidated financial statements.

4. Standards for recognition of revenues and expenses

- New installation work

The Company is engaged in the construction of new elevators, escalators, and other equipment. The Company recognizes revenue based on the progress of completion of performance obligations for construction contracts over a certain period of time. 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.

- Modernization projects

The Company performs modernization work on elevators, escalators, and other equipment. The Company recognizes revenue based on the progress of completion of performance obligations for construction contracts over a certain period of time. 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.

- Maintenance

The Company provides maintenance services 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. The Company measures progress for these services based on elapsed time.

- 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.

5. Standards for translating 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 final day of the period, with translation differences recorded as profit or loss for the period in question.

Notes on accounting estimates

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

Provision for losses on construction contracts

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

Provision for losses on construction contracts 1,192 million yen

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

The Company records an estimated amount of loss in the event that, of the undelivered work at the end of the fiscal year, there is a high probability that total cost of the work in question will exceed the total revenue of the work, and that the expected loss amount can be reasonably estimated. The total cost of work is calculated from available information, such as contract details and actual costs from past work with the same model. Assumptions used in this calculation will fluctuate due a variety of factors, including contract changes, construction conditions, and trends in materials/outsourcing prices. Therefore, estimates will be continuously re-verified and revised.

If these estimates are revised, or if actual manufacturing costs incurred differ from estimates, such may have a significant impact on provision for loss on construction contracts and gross profit for the next 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 current fiscal year.

The revised classifications for income taxes follows the transitional treatment detailed in the provision of paragraph 20-3 of Revised Accounting Standard 2022. The adoption of this accounting standard, etc., has no effect on the financial statements or per-share information of the Company.

Notes to the balance sheets

1. Accumulated depreciation for property, plant and equipment 23,894 million yen

2. Guarantee obligations

We provide debt guarantees for loans of other companies arranged with financial institutions.

(Loan guarantee)

Fujitec Taiwan Co., Ltd. 1,849 million yen

Fujitec Korea Co., Ltd. 714 million yen

2,563 million yen

(Other payment guarantees)

Fujitec America, Inc. 266 million yen

266 million yen

3. Monetary receivables and payables from and to affiliated companies

Short-term monetary claims 1,249 million yen

Long-term monetary claims 1,412 million yen

Short-term monetary debt 533 million yen

Notes to statements of income

1. Transaction volume with affiliated companies

Net sales 1,902 million yen

Purchase etc. 8,020 million yen

Volume of non-business transactions 24,155 million yen

Notes to statements of changes in shareholders' equity

Matters concerning the class and number of treasury shares

Class of stock	Balance at the beginning of the current fiscal year (thousand shares)	Increase in shares (thousand shares)	Decrease in shares (thousand shares)	Balance at the end of the current fiscal year (thousand shares)
Common stock	869	0	16	852

(Note) The number of common shares held as treasury stock as of the end of the current fiscal year consists of 0 thousand shares from odd-lot purchases and 852 thousand shares from share buybacks.

(Reasons for change)

The details of increases and decreases are as follows.

Increase due to purchase of odd-lot 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

Notes on tax effect accounting

Deferred tax assets and deferred tax liabilities by major classification

Deferred tax assets

Loss on valuation of shares of subsidiaries and associates	1,508	million yen
Provision for retirement benefits	443	million yen
Provision for bonuses	931	million yen
Allowance for doubtful accounts	248	million yen
Accrued enterprise tax	138	million yen
Provision for warranties for completed construction	32	million yen
Provision for losses on construction contracts	365	million yen
Other	648	million yen
<u>Subtotal of deferred tax assets</u>	<u>4,317</u>	<u>million yen</u>
Valuation allowance	(1,923)	million yen
<u>Total deferred tax assets</u>	<u>2,394</u>	<u>million yen</u>

Deferred tax liabilities

Valuation difference on available-for-sale securities	(1,067)	million yen
Deferred tax assets (reserve for advanced depreciation)	(30)	million yen
<u>Total deferred tax liabilities</u>	<u>(1,098)</u>	<u>million yen</u>

<u>Deferred tax assets, net</u>	<u>1,296</u>	<u>million yen</u>
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Notes on related-party transactions

Subsidiaries and affiliated companies

(Millions of yen)

Class	Name of company/organization	Ratio of voting rights held (ownership) (%)	Relationship	Details of transaction	Transaction value	Account	Period-end balance
Subsidiaries	Fujitec Taiwan Co., Ltd.	Ownership 74.83, direct	Sale of Company products and semi-finished products Loan guarantees Shared officers	Loan guarantees (Note 2)	1,849	—	—
	Fujitec Saudi Arabia Co., Ltd.	Ownership 75.00, direct	Sale of Company products and semi-finished products Lending of funds Shared officers	Lending of funds (Note 1)	—	Long-term loans receivable (Note 3)	1,383
				Interest received (Note 1)	85	Other current assets	2

Conditions and policies for determining transactions

- (Notes) 1. Interest rates for the borrowing and lending of funds are reasonably determined in consideration of market interest rates.
2. The Company has guaranteed loans borrowed from financial institutions, but has not received any guarantee fees.
3. The Company recorded 23 million yen as provision of allowance for doubtful accounts for this long-term loan in the current fiscal year, and the balance of the allowance for doubtful accounts at the end of the current fiscal year was 716 million yen.

Notes to revenue recognition

Basic information for understanding revenues

Same as notes to consolidated financial statements.

Notes on per-share information

Net assets per share	1,194.56 yen
Net income per share	414.70 yen
Diluted earnings per share	414.51 yen

(Note) Amounts stated in financial documents are rounded down to the nearest million yen.

Notes to significant subsequent events

Fujitec (HK) Co., Ltd. a consolidated subsidiary of the Company, resolved at its Board of Directors meeting held on April 22, 2025, to propose a dividend of surplus at its Shareholders' Meeting scheduled for mid-June of the same year. As Fujitec (HK) Co., Ltd. is a wholly-owned subsidiary of the Company, this matter is expected to be resolved at the said Shareholders' Meeting. As a result, the Company will record dividend income of HK\$219.1 million (approximately 4.0 billion yen) as non-operating income in its non-consolidated financial statements for the fiscal year ending March 31, 2026.

Additionally, Fujitec Singapore CORPN. LTD., a consolidated subsidiary of the Company, resolved to pay a dividend of surplus at its Shareholders' Meeting held on April 11, 2025. As a result, the Company will record dividend income of S\$44.5 million (approximately 4.8 billion yen) as non-operating income in its non-consolidated financial statements for the fiscal year ending March 31, 2026.

*Note: The yen equivalents in parentheses () are reference values, converted at a rate of Japanese yen 18 per Hong Kong dollar and Japanese yen 108 per Singapore dollar.

Independent Auditor's Report

May 17, 2025

FUJITEC CO., LTD.
To the Board of Directors

Grant Thornton Taiyo LLC

Osaka Office

Designated Limited Liability Partners	Certified Public	Iwao Arai
Engagement Partner	Accountant	
Designated Limited Liability Partners	Certified Public	Tatsuya Yoshinaga
Engagement Partner	Accountant	

Audit Opinion

We have audited, in accordance with Article 444(4) of the Companies Act, the consolidated financial statements of Fujitec Co., Ltd. for the period from April 1, 2024 to March 31, 2025, which consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in stockholders' equity, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the corporate group consisting of Fujitec Co., Ltd. and consolidated subsidiaries for the period related to the consolidated financial statement in conformity with accounting principles generally accepted in Japan.

Basis of Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility for auditing standards is stated in "Liability of Auditors in Auditing Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as an auditor in accordance with the provisions on occupational ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information comprises the business report and the supplementary schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board and its Members are responsible for overseeing Directors' execution of duties in the development and operation of the reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management, Audit & Supervisory Board and its Members to Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the design, implementation, and maintenance of internal control as management determines is necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the consolidated financial statements based on the assumption of a going concern and disclosing such matters if it is necessary to disclose matters related to a going concern based on accounting principles generally accepted in Japan.

The responsibility of the Audit & Supervisory Board and its members is to oversee the execution of the directors' duties in the development and operation of the financial reporting process.

Liability of Auditors in Auditing Consolidated Financial Statements

The responsibility of the auditor is to express an opinion on the consolidated financial statements based on the audit conducted by the auditor, from an independent standpoint, with reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. A misstatement is deemed to be material when it may occur due to fraud or error and, individually or in the aggregate, it is reasonably expected to affect the decision-making of the user of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditors shall make judgments as professional experts through the audit process and carry out the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. We will also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures are based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of an audit of the consolidated financial statements, etc. is not to express an opinion on the effectiveness of the internal control, in performing the risk assessment, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Assess the appropriateness of fiscal policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related footnote matters.
- Conclude whether it is appropriate for management to prepare consolidated financial statements, etc. on a going concern basis and whether, based on the audit evidence obtained, material uncertainties with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. In cases where material uncertainty regarding the going concern assumption is recognized, the Company is required to draw attention to the notes to the consolidated financial statements in the audit report, or express an opinion on the matters to be excluded in the consolidated financial statements if the notes to the consolidated financial statements regarding material uncertainty are not appropriate. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation and notes to the consolidated financial statements comply with accounting principles generally accepted in Japan, as well as whether the presentation, composition and content of the consolidated financial statements, including related notes, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis of our opinion on the consolidated financial statements. The auditor is responsible for directing, supervising and examining the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion. The auditor is solely responsible for the audit opinion.

The auditor shall report to the Audit & Supervisory Board and its members the scope and timing of the planned audit, important findings in the audit, including important deficiencies in the internal controls identified in the course of the audit, and other matters required by the audit standards.

The auditor will report to the Audit & Supervisory Board and its members that they have complied with the Japanese Occupational Ethics provisions for independence, and items that are reasonably considered to affect the auditor's independence, and, if measures are in place to eliminate obstacles or safeguards are applied to reduce it to an acceptable level.

Interests

The Company and Consolidated Subsidiaries have no interest in the Auditing Corporation or Operating Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

End

Independent Auditor's Report

May 17, 2025

FUJITEC CO., LTD.

To the Board of Directors

Grant Thornton Taiyo LLC

Osaka Office

Designated Limited Liability Partners	Certified Public	Iwao Arai
Engagement Partner	Accountant	
Designated Limited Liability Partners	Certified Public	Tatsuya Yoshinaga
Engagement Partner	Accountant	

Audit Opinion

We have audited the financial statements of Fujitec Co., Ltd. for the 78th fiscal year from April 1, 2024 to March 31, 2025, including the balance sheet, profit and loss statement, statement of changes in shareholders' equity, individual notes, and supplementary schedules thereof (hereinafter referred to as "financial statements") in accordance with the provisions of Article 436(2)(i) of the Companies Act.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and the status of profit and loss for the period related to such financial statements in conformity with accounting principles generally accepted in Japan.

Basis of Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility for auditing standards is stated in "Liability of Auditors for Auditing Financial Statements, etc." We are independent of the Company and fulfill other ethical responsibilities as an auditor in accordance with the provisions on occupational ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in the Notes to significant subsequent events, Fujitec (HK) CO.,LTD., a consolidated subsidiary of the Company, resolved at a meeting of its Board of Directors held on April 22, 2025, to propose the payment of dividends from surplus at a general meeting of its shareholders scheduled to be held in early June of the same year, and Fujitec Singapore Corpn. Ltd. a consolidated subsidiary of the Company, resolved at a general meeting of its shareholders held on April 11, 2025, to distribute dividends from surplus.

This matter does not affect our opinion.

Other Information

The other information comprises the business report and the supplementary schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit & Supervisory Board and its Members are responsible for overseeing Directors' execution of duties in the development and operation of the reporting process of the other information.

Our audit opinion on the financial statements, etc. does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management, Audit & Supervisory Board and its Members to Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan. This includes the design, implementation, and maintenance of internal controls deemed necessary by management for the preparation and fair presentation of financial statements, etc. free from material misstatement, whether due to fraud or error.

In preparing financial statements, etc., management is responsible for assessing whether it is appropriate to prepare financial statements, etc. based on the assumption of a going concern and disclosing such matters if it is necessary to disclose matters related to a going concern based on accounting standards generally accepted in Japan.

The responsibility of the Audit & Supervisory Board and its members is to oversee the execution of the directors' duties in the development and operation of the financial reporting process.

Liability of Auditors in Auditing Financial Statements, etc.

The responsibility of the auditor is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit conducted by the auditor, and to express an opinion on the financial statements, etc. from an independent standpoint in the audit report. A misstatement is judged to be material when it may occur due to fraud or error and when, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of financial statements, etc.

In accordance with auditing standards generally accepted in Japan, the auditors shall make judgments as professional experts through the audit process and carry out the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. We will also design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures are based on the judgment of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of an audit of the financial statements, etc. is not to express an opinion on the effectiveness of the internal control, in performing the risk assessment, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Assess the appropriateness of fiscal policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related footnote matters.
- Conclude whether it is appropriate for management to prepare financial statements, etc. on a going concern basis and whether, based on the audit evidence obtained, material uncertainties with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. In cases where material uncertainty regarding the going concern assumption is recognized, the Audit Report is required to draw attention to the notes to the financial statements, etc. or, in cases where the notes to the financial statements, etc. concerning material uncertainty are not appropriate, the Company is required to express opinions on the financial statements, etc. that are excluded. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation and notes of financial statements, etc. conform to accounting principles generally accepted in Japan, as well as whether the presentation, composition and contents of financial statements, etc. including related notes, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

The auditor shall report to the Audit & Supervisory Board and its members the scope and timing of the planned audit, important findings in the audit, including important deficiencies in the internal controls identified in the course of the audit, and other matters required by the audit standards.

The auditor will report to the Audit & Supervisory Board and its members that they have complied with the Japanese Occupational Ethics provisions for independence, and items that are reasonably considered to affect the auditor's independence, and, if measures are in place to eliminate obstacles or safeguards are applied to reduce it to an acceptable level.

Interests

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

End

Audit Report

The Audit & Supervisory Board has audited the directors' performance of duties for the 78th fiscal year from April 1, 2024 to March 31, 2025. The method and result are as follows, and represent a unanimous opinion of all members of the Audit & Supervisory Board resulting from discussions based on audit reports drafted by each member.

1. Audit Method

- (1) The Audit & Supervisory Board established audit policy and division of duties, and received reports from each of its members about audit status and results. The board also received reports from the board of directors, other parties, and the accounting auditor regarding the execution of their respective duties, and asked for explanations as necessary. In addition, the Audit & Supervisory Board met with the president and CEO, exchanging opinions and information on audit issues. The board sponsored three-party audit liaison attended by the Audit & Supervisory Board, the accounting auditor, and the Internal Audit Office. In this liaison, parties reported and exchanged information on the status of their respective audits, strengthening cooperation in audit functions.
- (2) Each member of the Audit & Supervisory Board, in conjunction with the Audit & Supervisory Board Standard and in keeping with audit policy and division of duties, used telephones the internet, or other methods to communicate with directors, the Internal Audit Office, and other employees, striving to collect information and improve the audit environment, conducting audits using the following methods. Regarding cooperation with outside directors, we have made efforts for daily cooperation, including information exchange meetings.
 - i. Members attended important meetings, such as those of the board of directors, received reports from directors, employees, and other parties about the status of execution of their respective duties, asked for explanations as necessary, inspected important approval documents and other documents, and investigated the status of operations and assets at the head office and major business locations. Members worked to communicate and exchange information with the directors, auditors, etc. of subsidiaries, receiving business reports from these subsidiaries as necessary. Also, Members have visited overseas subsidiaries to investigate the status of their operations and assets. Furthermore, members received reports from the Internal Audit Office about the status of execution and results of audits of major subsidiaries, asking for explanations as necessary.
 - ii. With respect to the system (internal control system) described in the business report that has been established based on resolution of the board of directors, the content of which relates to the establishment of systems as prescribed in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act as a system for ensuring the execution of the duties of directors complies with laws, regulations, and the articles of incorporation, as well as to ensure the propriety of business activities in a group of enterprises consisting of the stock company in question and its subsidiaries, members received regular reports on the structure and operating status of said system from directors, employees, and other parties, asking for explanations and expressing opinions as necessary.
 - iii. With respect to the basic policy and initiatives described in the business report corresponding to Article 118, Item 3, (a) and (b) of the Ordinance for Enforcement of the Companies Act, respectively, the contents of said policy and initiatives have also been examined based on the status of deliberations at meetings of the board of directors, etc.
 - iv. We supervised and examined whether the accounting auditors maintained their independent status to ensure appropriate audit execution. We received reports from the accounting auditors regarding their performance of duties and asked for detailed explanations when necessary. We received notice from the accounting auditors that the "System to assure appropriate business performance" (stipulated in each section of Article 131 of the Rules of Corporate Accounting) as prepared appropriate and complies with "Quality management standard for the audit" (Company Accounting Council). We requested detailed explanations when necessary. For major matters in the consideration of audits, members held discussions with the accounting auditor, received reports on the status of audit implementation, and asked for explanations as necessary.

In accordance with the aforementioned methods, we have reviewed the business report and supporting schedules, the financial statements (balance sheet, statement of income, statement of changes in net assets and notes to financial statements) and supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to consolidated financial statements) for the fiscal year under review.

2. Result

- (1) Results of the Audit of the Business Report
 - i. We confirm that the business report and the supplementary schedules represent the Company's status in accordance with the law and articles of incorporation.
 - ii. We did not recognize any serious facts about acts of dishonesty regarding director execution of duties or violation of the law or articles of incorporation.
 - iii. We confirm that the resolution of the board of directors regarding the structures for Assuring the Appropriateness of Business Operations is appropriate. Also, we have noted no special points to mention regarding the description of Operation Status of Structures for Assuring the Appropriateness of Business Operations, and director execution of duties.
 - iv. There are no special matters to mention regarding the Basic Policy on Management Control described in the business report.
- (2) Results of the Audit of Financial Statements and Supplementary Schedules
We confirm that the methods and results of the audit conducted by Grant Thornton Taiyo LLC were appropriate.
- (3) Results of the Audit of Consolidated Financial Statements
We confirm that the methods and results of the audit conducted by Grant Thornton Taiyo LLC were appropriate.
May 19, 2025

FUJITEC CO., LTD. Audit & Supervisory Board

Member of the Audit & Supervisory Board (Standing)	Takeharu Igaki	Ⓔ
Member of the Audit & Supervisory Board (Standing)	Yoshitaka Nakao	Ⓔ
Member of the Audit & Supervisory Board (Outside member of Audit & Supervisory Board)	Yoshiyuki Yamasaki	Ⓔ
Member of the Audit & Supervisory Board (Outside member of Audit & Supervisory Board)	Hiroyuki Hara	Ⓔ

End

Company Stock Information

■ Fiscal Year	April 1 to March 31
■ General Meeting of Shareholders	June
■ Record date	Annual Meeting of Shareholders/year-end dividend: March 31 of each year Interim dividend: September 30 of each year
■ Method of public notice	Public notices are posted electronically. However, in the event that electronic public notice is not possible due to an accident or other unavoidable reason, public notices will be published in the Nihon Keizai Shimbun. Website address: https://www.fujitec.co.jp/koukoku
■ Administrator of shareholder registry and account management institution for special accounts	Sumitomo Mitsui Trust Bank, Limited
■ Mailing address	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
■ Telephone inquiries	(0120)782-031 (toll free) Hours: 9:00 - 17:00 (except Saturdays, Sundays, and holidays)

Expansion of Shareholder Benefit Program

The Company adopted a shareholder benefit program, *Fujitec Premium Benefit Club*, aiming to increase the attractiveness of investment in Company shares and to encourage shareholders to hold Company shares over the medium to long term. Shareholders holding 200 or more shares of Company stock as of the last day of March are eligible to receive shareholder benefit points, which can be exchanged for more than 5,000 different products or donated to public benefit corporations such as environmental NGOs and international NGOs through the Fujitec Premium Benefits Club.

No. of Shares Held	Points Granted		
	Initial Year	Between Two and Five Years, Continuously*	Five Years and More, Continuously*
200-299 shares	3,000 points	3,300 points	3,800 points
300-399 shares	5,000 points	5,500 points	6,300 points
400-499 shares	10,000 points	11,000 points	12,500 points
500-599 shares	15,000 points	16,500 points	18,800 points
600-999 shares	25,000 points	27,500 points	31,300 points
1,000 shares or more	30,000 points	33,000 points	37,500 points

*From 2022 onward, shareholders who continuously hold 200 or more shares of the Company stock until the last day of March of each year and the last day of March of the following year and have the same shareholder number will be eligible for long-term shareholding. After 2023, additional points will be awarded as a long-term holding benefit for continuous holdings between two and five years and for continuous holdings for five years or more.

[Inquiries regarding the *Fujitec Premium Benefit Club*]

Telephone inquiries: 0120-302-716

Hours: 9:00 a.m. to 5:00 p.m. (excluding weekends, national holidays, year-end, and New Year holidays)