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(Securities Code 6406)
June, 4, 2024

Dear Shareholders:

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

NOTICE OF THE 77TH 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 77th 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 19), 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 Tuesday, June 25, 2024, Japan time.

1 Date and Time:	Wednesday, June 26, 2024 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 77th Fiscal Year (April 1, 2023 - March 31, 2024) 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 77th Fiscal Year (April 1, 2023 - March 31, 2024) <p>Proposals to be resolved:</p> <p>Agenda Item 1: Disposal of surplus</p> <p>Agenda Item 2: Election of Nine (9) Directors</p> <p>Agenda Item 3: Election of Two (2) Member of the Audit & Supervisory Board</p> <p>Agenda Item 4: Election of One (1) Substitute Audit & Supervisory Board Member</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. Please note that non-shareholders are not permitted to attend the general meeting. In order to conserve resources, please bring this Notice of Convocation with you. 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 the Corporate Auditors 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., Tuesday, June 25, 2024

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., Tuesday, June 25, 2024

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., Tuesday, June 25, 2024

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., Wednesday, June 26, 2024

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.

In addition to recording record highs in net sales, operating income, and ordinary income for the fiscal year ended March 31, 2024, the Company also recorded extraordinary income in connection a gain on sales of property, plant and equipment for the transfer of them owned by Fujitec (HK) Co., Ltd. These developments resulted in record-high profit attributable to owners of parent. Given these circumstances, the Company plans to add a special dividend of 70 yen per share to the ordinary dividend of 50 yen per share for a year-end dividend of 120 yen per share. As a result, the annual dividend will be 155 yen per share, including an interim dividend of 35 yen per share. As a result, our consolidated dividend payout ratio amounted to 67.8%.

(1) Type of dividend property

Cash

(2) Matters regarding the allotment of dividend property and the total amount

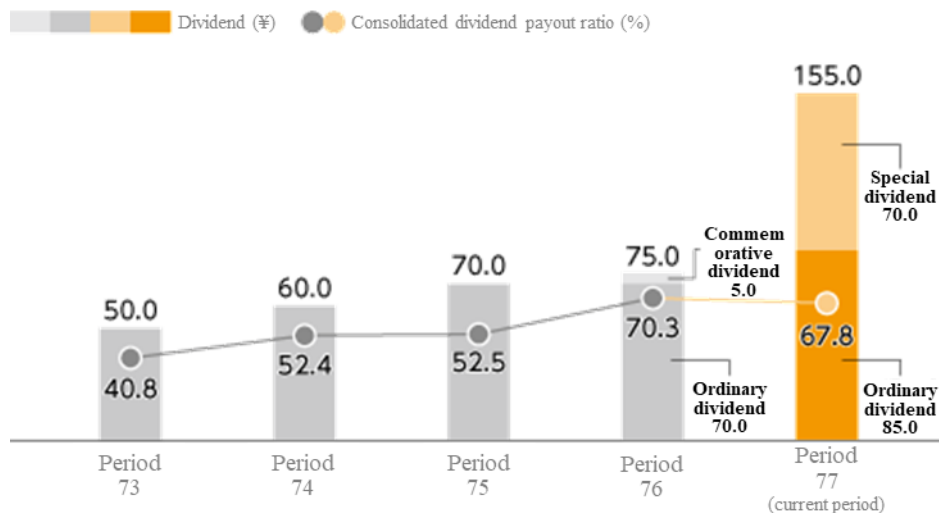
¥120 per share of common stock of the Company Total amount: ¥9,363,673,800

{ including ¥50 per share as ordinary dividend and ¥70 per share as special dividend }

(3) Date on which dividends become effective

Thursday, June 27, 2024

(Reference) Annual dividends per share/consolidated payout ratio



Agenda Item 2

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, all of whose members are independent outside directors, made a report on nominations after thorough deliberations with the assistance of world-renowned outside experts, 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, and all of them were elected for the first time at last year's Annual General Meeting of Shareholders. Given this individual's excellent performance over the past year and favorable evaluations in a reference review conducted by outside experts based on an ideal image of senior management executives, we believe this individual is most suitable for implementing the Company's medium-term management plan, the outline of which we announced in May of this year.

The remaining six (6) directors are outside directors, one (1) of whom is newly nominated. 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 General Manager
3	Kosuke Sato	(Male)	Reappointment	Director Senior Executive Operating Officer and In-Charge of Administration Division, General Manager of Finance HQ
4	Kaoru Umino	(Female)	Reappointment	Outside Independence Director Chairperson of Board of Directors
5	Torsten Gessner	(Male)	Reappointment	Outside Independence Director Nomination and Compensation Advisory Committee
6	Clark Graninger	(Male)	Reappointment	Outside Independence Director
7	Ako Shimada	(Female)	Reappointment	Outside Independence Director Nomination and Compensation Advisory Committee
8	Anthony Black	(Male)	Reappointment	Outside Independence Director
9	Shakil Ohara	(Male)	New	Outside Independence Director

- 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.



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 (to the present) Chief Executive Officer (to the present)

Number of shares of the Company held

11,481 shares

Number of Board of Directors Attended

9/9

Reasons for selection as a candidate for Director

In his first year as president, he demonstrated exceptional leadership in minimizing internal and external turmoil amidst the total turnover of internal directors, and he achieved the results expected of him, including the penetration of price increases commensurate with cost increases. We are certain that his strong will and years of sales experience are reflected in his performance, and we believe that he is irreplaceable as the driving engine of our new medium-term management plan.

- (Notes) 1. There are no special conflicts of interest between Mr. Masayoshi Harada and the Company.
2. Attendance at Board of Directors meetings held on and after June 21, 2023, as Mr. Masayoshi Harada was newly elected and assumed office as a Director at the 76th Annual General Meeting of Shareholders held on June 21, 2023.



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 (to the present) Senior Executive Operating Officer General Manager (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. CORPN. LTD. (to the present)

Number of shares of the Company held

2,758 shares

Number of Board of Directors Attended

9/9

Reasons for selection as a candidate for Director

In his first year in the role of COO, he has achieved results that have contributed significantly to improving our business performance without causing any major quality or delivery problems, and has achieved the normalization of the supply chain, which was in turmoil the year before last. Considering the fact that he has been steadily laying the groundwork for the introduction of new-generation products, although it will be a while before it can bear fruit, we have determined that he is the most suitable person to oversee field operations and keep a close eye on the progress of our new mid-term management plan.

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

2. Attendance at Board of Directors meetings held on and after June 21, 2023, as Mr. Takashige Nakajima was newly elected and assumed office as a Director at the 76th Annual General Meeting of Shareholders held on June 21, 2023.



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 (to the present) 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 Division (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

1,349 shares

Number of Board of Directors Attended

9/9

Reasons for selection as a candidate for Director

In his first year as CFO, he has been successful in promoting reforms from a medium- to long-term perspective by launching a series of measures to strengthen our internal infrastructure, which are inevitable, and at the same time, he has demonstrated leadership in the process of formulating the new med-term management plan and a track record of coordinating the company. Considering the fact that he has been steadily laying the groundwork for the integration of our overseas entities, which has been a longstanding issue for us, we have determined that he is indispensable to the implementation of the new med-term management plan.

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

2. Attendance at Board of Directors meetings held on and after June 21, 2023, as Mr. Kosuke Sato was newly elected and assumed office as a Director at the 76th Annual General Meeting of Shareholders held on June 21, 2023.



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 (to the present)

[Significant concurrent positions]

Partner, DLA Piper Tokyo Partnership Foreign Law Office

Member of the board of directors (Director) of 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

Since assuming the position of the Chairman of the Board of Directors, she has increased the frequency of board meetings, encouraged candid discussions among the diverse board members, and tenaciously provided leadership in the Company's governance reforms. Everyone around her recognizes her dedication to the company. We expect that she will continue to monitor the Company's efforts in governance reform in light of the current situation, where the establishment of an internal structure is still in the middle of the road and there are still many difficult issues to be addressed.

- (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 one year four 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 provided by 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 (to the present)

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

With more than 30 years of experience as a leader in the global elevator industry, Mr. Gessner addressed the company's deviation from global standards and focused the discussion on improving the company's value. Using international benchmarks, he supported management in the preparation of the new mid-term plan and will continue to critically accompany the implementation process.

(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 one year four 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 provided by Tokyo Stock Exchange, Inc., and if he is elected as originally proposed and assumes the position, he 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

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. (to the present)
February 2023	Director (to the present)
	[Significant concurrent positions]
	Managing Director, WealthPark Capital, Inc.
	Representative Director, COO/CFO, Reboot K.K.

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

Based on 20 years of work experience accumulated in the financial industry, Mr. Clark Graninger has served in a liaison function, participating in the Company's engagement activities on behalf of the outside directors alongside Ms. Kaoru Umino, chairman of the Board of Directors. As the new mid-term management plan gets underway, engagement will become increasingly important, and we expect that he will continue to reflect the voices of the investor community in the board's discussions and decision-making.

- (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 one year four 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 provided by 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 (to the present)

[Significant concurrent positions]

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

Based on her 15 years of work experience accumulated as an in-house lawyer, Ms. Ako Shimada has played a role in bringing new life to the Company's corporate headquarters by hiring outside experts and acting as a bridge between the Company's governance reforms and personnel. Her quiet leadership style is highly compatible with the corporate culture of Japanese companies, and we expect that she will be able to ease the friction that inevitably arises as we continue to implement numerous reforms.

- (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 one year four months as of the conclusion of this general meeting of shareholders.
3. Ms. Ako Shimada serves as 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 77th fiscal year for the Company amounted to less than JPY 1 million.
4. Ms. Ako Shimada is an independent director provided by 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 (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
9/9

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

With 35 years of experience as a global leader in the elevator industry, Mr. Anthony Black has provided a different perspective on our operations and served as an inspiration to the front lines. He has pushed our team members to challenge high goals during the development of our new medium-term plan, and we expect that he will provide full support during the implementation process.

- (Notes)
1. Mr. Anthony Black is a candidate for Outside Director.
 2. The term of office of Mr. Anthony Black as Director will be 1 year 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 provided by 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 Board of Directors meetings held on and after June 21, 2023, as Mr. Anthony Black was newly elected and assumed office as a Director at the 76th Annual General Meeting of Shareholders held on June 21, 2023.



Number of shares of the Company held
0 shares

Career summary, positions, responsibilities and significant concurrent positions

August 1994	Regional Finance Manager, FedEx North Pacific Region
May 1999	Finance Director, Abbot Laboratories (Japan)
January 2004	Vice President, Asia (Regional CEO), Hospital Division, Abbot Laboratories (Japan)
March 2008	Regional CFO/Regional Strategy Officer (Pacific/Asia, Africa), Abbot 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	Maple Associates Pte Ltd Co-CEO (to the present)
June 2022	FreeD Technologies Group CFO
January 2024	DIGIFIT Corporation Co-CEO (to the present)
	[Significant concurrent positions]
	Maple Associates Pte Ltd Co-CEO
	DIGIFIT Corporation Co-CEO

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










This is a new candidate selected from a list of candidates recommended by our headhunters. He has extensive experience in international business management, including management experience in the growth markets of India and Southeast Asia. He has also served as CEO and CFO of a portfolio company of one of the largest global PE funds in the U.S. and has successfully completed an IPO. As we continue to consider ways to enhance our corporate value, we expect that he will provide us with superior advice from multiple perspectives.

- (Notes) 1. Mr. Shakil Ohara is a candidate for Outside Director.
 2. There are no special conflicts of interest between Mr. Shakil Ohara and the Company.
 3. If he is elected as originally proposed and assumes the position, he will serve as an independent director as provided by the Tokyo Stock Exchange, Inc.

- (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, 2024.
 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. The Company also plans to enter into an indemnification agreement with Mr. Shakil Ohara with the same terms and conditions if he is elected and assumes office as a director.
 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, 2024)

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	New
Positions and responsibilities at the Company		Representative Director, Executive President	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			●	●	●	●	●		●

Election of Two (2) Member of the Audit & Supervisory Board

Members of the Audit & Supervisory Board Mr. Yasuo Utsunomiya and Mr. Tatsuo Ikeda will expire at the conclusion of this meeting. Accordingly, the Company proposes to elect two (2) Members of the Audit & Supervisory Board.

The Audit & Supervisory Board has consented to this proposal.

The candidates are as follows:

No.	1	Yoshitaka Nakao	Date of birth	New
		 <p>Career summary, positions and significant concurrent positions</p> <p>March 1986 Graduated from the School of Mechanical Engineering, Doshisha University</p> <p>April 1986 Joined Fujitec Co., Ltd.</p> <p>April 2004 General Manager of Technology of Company subsidiary, Shanghai Huasheng Fujitec Escalator Co., Ltd.</p> <p>January 2011 Vice President of Company subsidiary Shanghai Huasheng Fujitec Escalator Co., Ltd.</p> <p>January 2013 Plant Manager of Big Step, Production HQ</p> <p>January 2015 Director and President of Company subsidiary Shanghai Huasheng Fujitec Escalator Co., Ltd. (to the present)</p> <p>Director of Company subsidiary Huasheng Fujitec Elevator Co., Ltd. (to the present)</p> <p>April 2018 Operating Officer (to the present)</p>	January 18, 1962	
		<p>Number of shares of the Company held</p> <p>6,169 shares</p>		

Reasons for selection as a candidate for Members of the Audit & Supervisory Board

We believe Mr. Yoshitaka Nakao will leverage his abundant knowledge based on experience in management of the Company's subsidiary in China, as well as his service as the Company's Operating Officer, in performing the duties of a member of the Audit & Supervisory Board appropriately.

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

2. The number of Company shares held by him includes his interest in the Company's Employee Shareholding Association as of March 31, 2024.



Career summary, positions and significant concurrent positions

March 1985	Graduated from Kyoto Sangyo University Faculty of Business Administration
September 1988	Joined Tohmatsu Awoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)
April 1992	Registered as certified public accountant
August 1993	Joined Tadashi Furumoto Certified Public Accounting and Tax Office (currently Deloitte Tohmatsu Tax Co.)
November 1993	Registered as tax accountant
June 2005	Partner, Tohmatsu Tax Co. (currently Deloitte Tohmatsu Tax Co.)
September 2020	Retired from Tohmatsu Tax Co. (currently Deloitte Tohmatsu Tax Co.)
October 2020	Director, Hiroyuki Hara Certified Public Accounting & Tax Office (to the present)
June 2023	Substitute Member of the Audit & Supervisory Board, Fujitec Co., Ltd. (to the present) Outside Member of the Audit & Supervisory Board, Heiwa Paper Co., Ltd. (to the present)
March 2024	Substitute Director who is an Audit and Supervisory Committee Member, Sinops Inc. (to the present)

Number of shares of the Company held
0 shares

[Significant concurrent positions]

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.

Reasons for selection as a candidate for Outside Members of the Audit & Supervisory Board

While Mr. Hiroyuki Hara has no prior involvement in corporate management, He has been engaged in auditing and taxation services as a certified public accountant and tax accountant for many years. We believe he will leverage his abundant knowledge in performing the duties of a member of the Audit & Supervisory Board appropriately.

- (Notes) 1. Mr. Hiroyuki Hara is a candidate for Outside Member of the Audit & Supervisory Board.
2. There are no special conflicts of interest between Mr. Hiroyuki Hara and the Company.
3. If he is elected as originally proposed and assumes the position, he will serve as an independent director as provided by the Tokyo Stock Exchange, Inc.

- (Notes) 1. The Company entered into an indemnification agreement with each member of the Audit & Supervisory Board as stipulated in Article 430-2, Paragraph 1 of the Companies Act. Under this agreement, the Company will indemnify a member of the Audit & Supervisory Board 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 member of the Audit & Supervisory Board is liable for malicious intent or gross negligence in the performance of his or her duties. In the event that Mr. Yoshitaka Nakao and Mr. Hiroyuki Hara are elected and assume office as members of the Audit & Supervisory Board, the Company plans to enter into an indemnity agreement with these individuals according to the same terms.
2. 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 Mr. Yoshitaka Nakao and Mr. Hiroyuki Hara are elected and assume office as members of the Audit & Supervisory Board, they will be included as insured persons under the policy. The contract is scheduled to be renewed under the same terms upon renewal.

Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for a situation where the number of Audit & Supervisory Board members falls below the number specified by law or in the Articles of Incorporation, a substitute Audit & Supervisory Board member will be appointed.

The Audit & Supervisory Board has consented to this proposal.

The candidate is as follows:

Keijiro Kimura

Date of birth
April 14, 1961

Outside

Independence



Career summary, positions and significant concurrent positions

March 1985 Graduated from the Faculty of Law, Kyoto University
 April 1987 Registered as an attorney
 January 1994 Admitted to the New York State Bar Association
 May 1998 Founder, Kyoei Law Office
 June 2000 Outside Member of the Audit & Supervisory Board, Okada Aiyon Corporation
 January 2011 Partner, Kyoei Law Office (to the present)
 March 2015 Outside Member of the Audit & Supervisory Board, Nippon Electric Glass Co., Ltd.
 March 2022 Outside Member of the Audit & Supervisory Board, Kubota Corporation (to the present)

[Significant concurrent positions]

Partner, Kyoei Law Office
 Outside Member of the Audit & Supervisory Board, Kubota Corporation

Number of shares of the Company held

0 shares

Reasons for selection as a candidate for Outside Members of the Substitute Audit & Supervisory Board

While Mr. Keijiro Kimura has been no prior involved in corporate management, he has been involved in corporate legal affairs as a lawyer for many years. He has also served as an outside member of the Audit & Supervisory Board at other companies. We believe he will leverage his abundant knowledge in performing the duties of a member of the Audit & Supervisory Board appropriately.

- (Notes) 1. Mr. Keijiro Kimura is a candidate for Substitute Outside Member of the Audit & Supervisory Board.
2. Mr. Kimura is an outside auditor of Kubota Corporation, which owns 322,000 shares of Company stock. The Company owns 770,000 shares of Kubota Corporation stock. In addition, there is a business relationship between significant subsidiaries and the Company related to installation, maintenance, and other services ordered in relation to our products. Net sales to these subsidiaries during the Company's 77th fiscal year amounted to 2 million yen.
3. Mr. Keijiro Kimura satisfies the requirements for independent directors as stipulated by the Tokyo Stock Exchange, Inc.
4. The Company entered into an indemnification agreement with each member of the Audit & Supervisory Board as stipulated in Article 430-2, Paragraph 1 of the Companies Act. Under this agreement, the Company will indemnify a member of the Audit & Supervisory Board 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 member of the Audit & Supervisory Board is liable for malicious intent or gross negligence in the performance of his or her duties. In the event that said individual is elected and assumes office as members of the Audit & Supervisory Board, the Company plans to enter into an indemnity agreement with this individual according to the same terms.
5. 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 he assumes the office of a member of the Audit & Supervisory Board, he will be included as an insured under the contract in question. The contract is scheduled to be renewed under the same terms upon renewal.

End

1. Matters Concerning the State of the Corporate Group

(1) Business progress and results

a. Management environment and business development

Despite differences among regions, the global economy remained uncertain worldwide throughout the current consolidated fiscal year due to tight monetary policies and the sluggish economy in China. In the U.S., employment and income were favorable, and consumer spending remained firm, despite sluggish manufacturing. In China, the economy continued to slow as housing sales and capital investment remained sluggish due to the impact of the ongoing drop in real estate prices. In Japan, business confidence in the non-manufacturing sector improved due to a recovery in consumer spending and inbound demand. The Japanese manufacturing sector transferred prices associated with rising prices, resulting in a gradual economic recovery.

In response to these circumstances, the Fujitec Group continued to implement specific measures reflecting the basic strategies of our three-year medium-term management plan Vision24, which we began in fiscal 2022. Under our sales strategy, we endeavored to improve profitability in our domestic market by introducing a control panel replacement package compatible with large elevators and extending our modernization product lineup through expanding the sales of standard models. In terms of sales performance, we delivered a total of 110 elevators and escalators to Azabudai Hills (opened last year), recording the largest number of elevators and escalators ever delivered in our domestic projects. In the global market, we engaged in regional sales strategies tailored to the characteristics of each region, including growth markets and mature markets. In India, we received orders for 538 elevators in large-scale housing projects. In Singapore, we renovated 19 elevators to maintain safety and improve functionality in a high-rise building that we finished in 1986. Under product and technology strategies, we work to solve customer issues using IT, AI, and other new technologies including developing and marketing strategic models tailored to the maturity level in each market and improving customer convenience through web services for building managers and the linkage between elevators and robots. Under our production and operations strategy, we began construction of an elevator parts analysis and evaluation center (tentative name: Quality Laboratory Building) to improve product quality. We also worked to reduce production costs incurred through global procurement and reform installation costs in the field. Overseas, Fujitec India endeavored to increase production capacity, including the full-scale operation of a second elevator plant. Under our corporate strategy, we pursued aggressive M&A activities in Japan and overseas in this growth phase of our company, including the acquisition of Stampede Elevator in Canada. In terms of capital policy, we improved capital efficiency by streamlining working capital. We implement sustainability activities with an eye to ESG, including the publication of our first Integrated Report (Japanese and English) in December last year and the expansion of non-financial information. We also introduced double-connected trucks to pursue decarbonization and labor savings, and formulated new company-wide occupational health and safety guidelines and a health declaration to create lively workplaces. After the extraordinary general meeting of shareholders in the previous fiscal year, we have been engaged in steady governance-related initiatives, including the renewal of the Nomination and Compensation Advisory Committee, and including disclosing company measures including specific measures to establish corporate governance in line with the highest standards expected from listed companies on December in response to the third-party committee investigation results concerned the obstruction of director candidates and others in connection with shareholder proposals at the extraordinary general meeting of shareholders. In October 2023, we launched the Steering Committee consisting of management, operating officers in charge of major divisions, and outside directors. This committee discusses the medium- to long-term direction of the company and key strategies. and as a result, in light of the changes in the business environment surrounding the Company, the board of directors approved a new five-year medium-term management plan on May 14, 2024, which entails fundamental corporate reforms to realize the Company's latent value. The new medium-term management plan defines our long-term vision to establish Fujitec as an industry-leading brand for all to experience the beauty and hospitality of a specialized Japanese manufacturer. Under this vision, we will strive to evolve into an excellent company—a reborn Fujitec embracing the spirit of Continuity and Change.

As a result, Total orders received amounted to ¥232,188 million (up 14.2% year on year), consisting of ¥94,711 million in domestic orders received (up 14.4%) and ¥137,477 million in overseas orders received (up 14.2%; up 8.2% after excluding the impact of foreign exchange).

Total order backlog amounted to ¥258,316 million (up 5.5% year on year), consisting of domestic order backlog in the amount of ¥89,836 million (up 11.4%) and overseas order backlog in the amount of ¥168,480 million (up 2.6%; down 2.7% after excluding the impact of foreign exchange).

Domestic orders increased significantly year on year in the new installation business due to increased price pass-through to higher material and logistics costs. Orders for apartment complexes and stores, in particular, grew significantly. In the Aftermarket Business, modernization projects increased due to the effect of price revisions, similar to the new installation business. Repair work and maintenance (servicing and maintaining elevators and escalators) remained strong due to efforts to improve new contract rates.

Overseas orders for new installations in East Asia decreased in China and Hong Kong, but increased in Taiwan. In South Asia, new installation orders increased in Singapore and India, and the Aftermarket Business increased in all regions. In the Americas and Europe, new installations decreased in the U.S. and Canada, but increased in the Aftermarket Business in the U.S. and the U.K.

Current-year sales and profits increased year on year. Total net sales amounted to ¥229,401 million (up 10.5% year on year), consisting of ¥85,532 million in domestic net sales (up 14.0%) and ¥143,868 million in overseas net sales (up 8.5%; up 3.2% after excluding the impact of foreign exchange). Operating income was ¥14,571 million (up 25.4% year on year), and ordinary income was ¥18,717 million (up 40.4%) due to an increase in interest income, stemming from rising interest rates, and a decrease in allowance for doubtful accounts. In addition, profit before income taxes increased due to factors including a gain on sales of property, plant and equipment related to a consolidated subsidiary. As a result, profit attributable to owners of parent amounted to ¥17,830 million (up 111.4% year on year).

The Company used provisional accounting in the previous consolidated fiscal year for the business combination with Express Lifts Limited (now Fujitec Express Limited), which was conducted on September 20, 2022. The amounts related to said combination were finalized in the third quarter of the current consolidated fiscal year. Therefore, figures for the previous consolidated fiscal year reflect this revised allocation of acquisition costs.

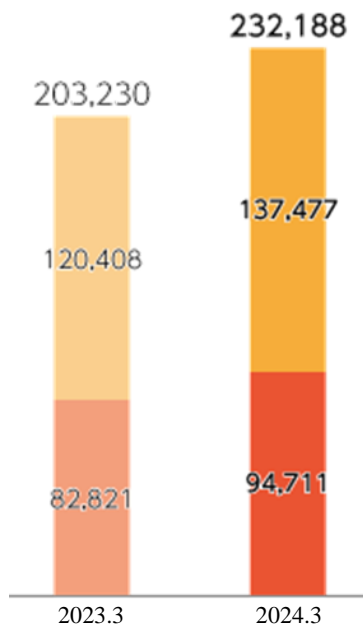
By Group Region: Orders and Net Sales

	(Million yen)			
	For the Fiscal Year Ended March 31, 2024 (Period 77)		For the Fiscal Year Ended March 31, 2023 (Period 76)	
	(From April 2023 to March 2024)	Composition Ratio (%)	(From April 2022 to March 2023)	Composition Ratio (%)
Orders	232,188	100.0%	203,230	100.0%
Domestic	94,711	40.8	82,821	40.8
Overseas	137,477	59.2	120,408	59.2
Net sales	229,401	100.0%	207,589	100.0%
Domestic	85,532	37.3	75,005	36.1
Overseas	143,868	62.7	132,583	63.9
Order backlog	258,316	100.0%	244,898	100.0%
Domestic	89,836	34.8	80,657	32.9
Overseas	168,480	65.2	164,241	67.1

(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.

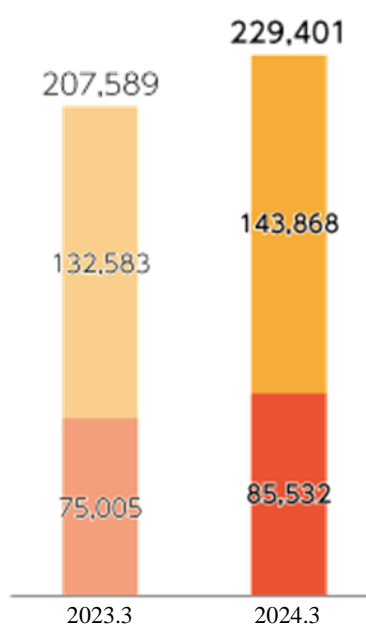
Orders (Million yen)

- Domestic
- Overseas



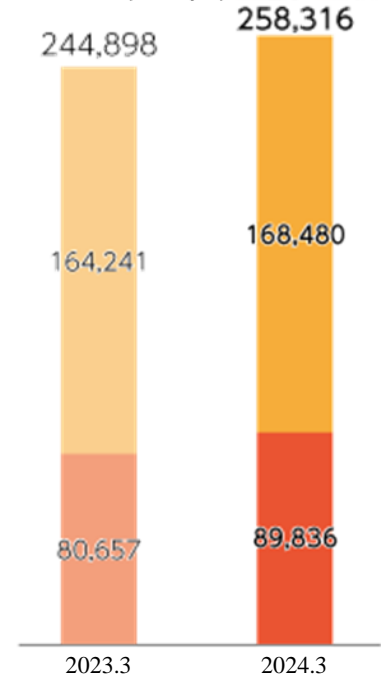
Net sales (Million yen)

- Domestic
- Overseas



Order Backlog (Million yen)

- Domestic
- Overseas



Net sales
¥229.4 billion
 YoY: +10.5%

Operating income
¥14.5 billion
 YoY: +25.4%

Operating income margin
6.4%
 YoY: +0.8%

Ordinary income
¥18.7 billion
 YoY: +40.4%

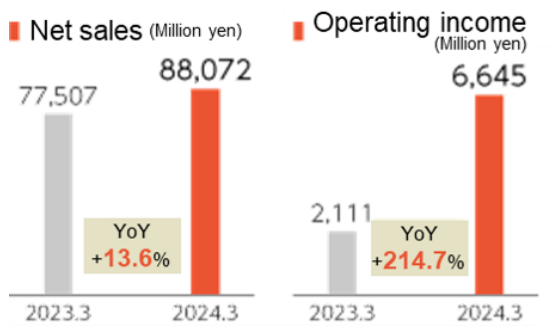
Profit attributable to owners of parent
¥17.8 billion
 YoY: +111.4%

ROE:
12.9%
 YoY: +6.2%

b. Segment information by corporate group location

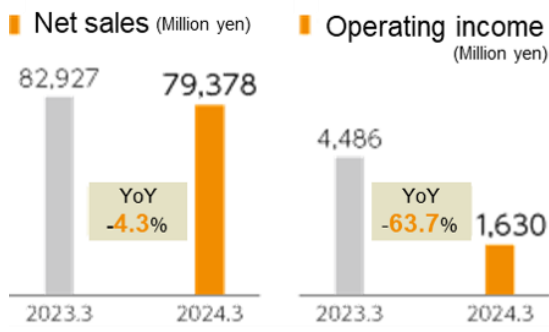
The following information highlights segment performance by location for the consolidated fiscal year under review:

Japan	Net sales	Operating income	Sales composition ratio	
	¥88.0 billion	¥6.6 billion	36.1%	



Net sales increased 13.6% year on year to ¥88,072 million as a result of the significant increase of new installations and modernization projects in the Aftermarket Business due to the revisions of sales prices. Operating income amounted to ¥6,645 million (up ¥4,533 million year on year) due to the significant effect of sales price revisions on improved profitability, despite higher import costs resulting from the ongoing weakening of the yen.

East Asia	Net sales	Operating income	Sales composition ratio	
	¥79.3 billion	¥1.6 billion	32.5%	



Net sales amounted to ¥79,378 million, a decrease of 4.3% year on year (down 7.5% after excluding the impact of foreign exchange), despite increased sales from progress in large-lot modernization projects in Hong Kong. This decrease was mainly due to fewer new installation projects on hand, especially in China where orders declined under the real estate recession. New installations also declined due to the impacts of lower market prices. Operating income amounted to ¥1,630 million (down ¥2,856 million) due to lower sales of new installations in China, as well as impacts of increased provision for losses on construction in Hong Kong, Taiwan, and Korea.

South Asia

Net sales
¥31.0 billion

Operating income
¥5.0 billion

Sales composition ratio
12.7%



Net sales in the New Installations Business amounted to ¥31,000 million, an increase of 28.5% year on year (up 19.4% after excluding the impact of foreign exchange). Net sales in new installations increased due to increased sales in India from increased orders, despite lower sales in Singapore. For the Aftermarket Business, net sales increased due to increased repair work in Singapore and Malaysia. Operating income amounted to ¥5,010 million (up ¥1,466 million). In new installations, it was mainly due to a return to profit from cost reductions of India and, in the Aftermarket Business, it was due to increased sales in Singapore and Malaysia.

The Americas and Europe

Net sales
¥45.7 billion

Operating income
¥1.4 billion

Sales composition ratio
18.7%



Net sales were ¥45,776 million (up 25.9% year on year, up 19.1% after excluding the impact of foreign exchange). Net sales increased in new installations in the U.S. and the U.K. Net sales in the Aftermarket Business increased, mainly due to an influx in modernization projects in the U.S., as well as the consolidation of a Mexican subsidiary. Operating income amounted to ¥1,455 million (down ¥70 million). This decrease was due to lower profitability in the New Installation Business in Canada resulting from higher material and labor costs. At the same time, operating income increased in the Aftermarket Business due to higher sales in the U.S. resulting from an increase in maintenance volume and higher unit maintenance prices.

(Note) Figures for net sales, operating income, and sales composition ratios are before segment adjustments. Segment adjustments amounted to ¥(14,826) million in net sales and ¥(169) million in operating income.

(2) Capital Investment and Financing

During the consolidated fiscal year under review, the Fujitec Group conducted a total of ¥3,875 million in capital investments. Of this amount, ¥2,525 million of capital investments were conducted within the Company, while ¥1,350 million of capital investments were conducted at consolidated subsidiaries.

(3) Issues to be Addressed

We announced a new three-year medium-term management plan, Vision24 Fujitec Medium-Term Management Plan (FY2022 - FY2024) in December 2021. In March 2022, we published supplemental disclosure of Vision24 explaining specific measures and capital policies. We intended to increase our market share by expanding our New Installation and Aftermarket Businesses as described in Vision 24, as well as to ensure that we improve our profitability by expanding sales and promoting cost reductions, as well as to improve management transparency. And in light of changes in the business environment surrounding the Company, the board of directors approved a new five-year medium-term management plan on May 14, 2024, Medium-Term Management Plan 2024-2028: Move On 5, which entails fundamental corporate reforms to realize the Company's latent value. In the new medium-term management plan, we 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 brand of the industry's top trust where everyone can experience the beauty and hospitality that only a specialized Japanese manufacturer can provide. Through these efforts, we will continue to provide safe and reliable products to people around the world for the sustainable enhancement of our corporate value in the global market. The strategic direction of Move On 5 is as described below.

Continuity...the essence of what we 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 extend resiliency to other types of disasters (heavy rains, etc.)
 - 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

We 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 74 (From April 2020 to March 2021)	Period 75 (From April 2021 to March 2022)	Period 76 (From April 2022 to March 2023)	Period 77 (Current Consolidated Fiscal Year) (From April 2023 to March 2024)
Orders	(Million yen)	174,648	195,527	203,230	232,188
Net sales	(Million yen)	169,573	187,018	207,589	229,401
Ordinary income	(Million yen)	14,633	15,713	13,331	18,717
Profit attributable to owners of parent	(Million yen)	9,287	10,835	8,433	17,830
Net income per share	(yen)	114.52	133.42	106.67	228.55
Total assets	(Million yen)	205,196	220,609	230,098	256,402
Net assets	(Million yen)	125,264	140,482	144,117	165,177
Net assets per share	(yen)	1,385.45	1,549.83	1,640.29	1,901.28

(Notes) 1. Effective as of the 75th fiscal year, the Company applied Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

The figures for assets and income (loss) for the 74th, 75th, 76th, and 77th fiscal years under review reflect the application of this accounting standard.

2. 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 74, 75 and 76 includes shares held as an E-Ship Trust-Type Employee Shareholding Incentive Plan.

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

Period 74 ...Domestic net sales decreased by 4.3% year on year, while overseas net sales decreased by 7.9% over the same period, resulting in a year on Decrease of 6.4% in net sales. Profit decreased slightly versus the previous fiscal year owing to an increase in Japan, even though profits decreased in North America and Europe.

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 ...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%	Sales, installation, maintenance, and repair of elevators and escalators
Fujitec Argentina S.A.	2,000 ARS thousands	100.00%	„
Elevadores EV International, S.A. de C.V.	39,833 MXN thousands	85.00%	Manufacture, sale, installation, maintenance, and repair of elevators and escalators
Fujitec (HK) Co., Ltd.	24,300 HKD thousands	100.00%	„
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. CORPN. LTD.	5,290 SGD thousands	85.61%	Sales, 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%	Sales, installation, maintenance, and repair of elevators and escalators

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

(6). Main Business Lines

As a specialized manufacturer of elevators, escalators, and moving sidewalks, the Fujitec Group, consisting of Fujitec Co., Ltd. and 40 affiliated companies (including 25 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), Hokushinetsu Branch (Kanazawa city), Kitakanto Branch (Saitama city), Higashikanto Branch (Chiba 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.), 19 other bases
	R&D Centers	Fujitec Shanghai Technologies Co., Ltd. (China)

(8) Employees

a. Group employees

No. of Employees	Year-on-Year Change
11,818 persons	365

(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
3,252 persons	+ 60	41.0 years-old	17.6 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.	3,447million yen

(10) Other Matters Concerning the State of the Corporate Group

Receipt of the report on the results of the investigation by the Third-Party Committee into the obstruction of the candidates for directors at the Company's extraordinary general meeting of shareholders; report on the results of the investigation by independent outside directors into related-party transactions, etc.; and the Company's response to these reports

The Company held an extraordinary general meeting of shareholders on February 24, 2023. On the occasion of this meeting, the Company received information that certain candidates for directors in connection with the shareholder proposal were the target of acts that damaged or denigrated the qualifications, social credibility, and reputation of said candidates. The Company also received information that said candidates were intimidated or otherwise encouraged to decline their nominations for as directors for the Company's board of directors

(hereinafter referred to as the "Allegations"). The Company determined that an investigation by a third-party committee consisting solely of neutral and impartial outside experts independent of the Company was warranted, and on April 13 of the same year, a third-party committee ("New Third-Party Committee") chaired by attorney Takahiko Takayama was established in accordance with *Guidelines for Third-Party Committees in Corporate Scandals, issued by the Japan Federation of Bar Associations*. The New Third-Party Committee proceeded to conduct investigations and verifications.

On August 10, 2022, a third-party committee chaired by attorney Hideaki Kobayashi ("Former Third-Party Committee") was formed to investigate related-party transactions and other acts ("Related-Party Transactions") pointed out by certain Company shareholders. The Former Committee proceeded to conduct additional investigations and verifications. On April 3, 2023, the Former Third-Party Committee informed the Company that although the investigations had not been completed, the committee would decline to extend the term of its contract, which was originally scheduled to expire on December 31, 2022 (in other words, the committee declined to renew the contract). The Former Third-Party Committee pointed out that they could not establish a relationship of trust with the Company as the reason for declining to renew the contract. We viewed this fact as a serious matter, and, as a precursor to restructuring our internal controls and mechanisms to prevent recurrence, our independent outside directors took the lead in hiring an outside attorney and conducting investigations and verifications of the various matters and underlying causes pointed out by the Former Third-Party Committee. Further, although the Former Third-Party Committee did not complete its investigation, the Company considered our response while carefully examining the effect of additional investigations, the potential to clarify the cases at hand, and the cost of investigations, etc., with respect to related-party transactions and other allegations with a view toward the legalities and importance of corporate governance. From the standpoint of the type of governance demanded of the Company, we proceeded with a follow-on investigation, also led by independent outside directors who hired outside experts to investigate to the extent possible given certain constraints.

On December 19, 2023, we received a report from the New Third-Party Committee containing the results of its investigation into Allegations. We also received a report from the independent outside directors on the results of their respective investigations into the matters pointed out by the Former Third-Party Committee and the follow-on into related-party transactions, etc. After receiving these reports, the Company determined a response. The details of these matters have been published on the Company's website at https://www.fujitec.com/common/fjhp/doc/top_global/document/irnews/3340/231219_Notice%20Concerning%20Receipt%20on%20Investigation%20Results%20etc.pdf

The Company considers as serious matters the facts, underlying causes, and recommendations for preventing recurrence as conveyed by the New Third-Party Committee and our independent outside directors regarding Allegations and related-party transactions, respectively. We intend to formulate concrete measures to prevent recurrence. Specifically, we began revising basic corporate governance policies, developing rules for related-party transaction rules, and creating contingency response manuals. The Company will continue to unite in efforts to regain the trust of our shareholders, business partners, and other stakeholders.

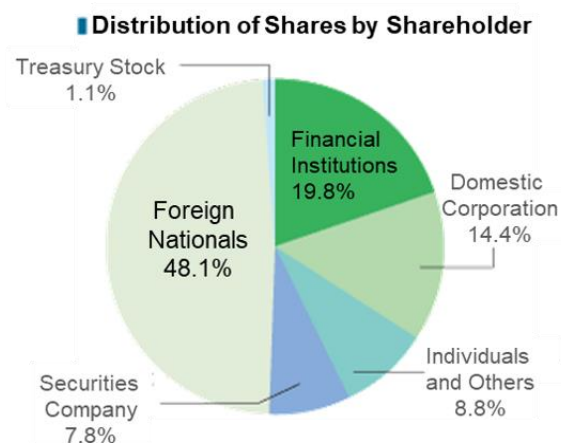
2. Matters Concerning Stock

- a. Total number of authorized shares 300,000,000 shares
b. Total number of shares issued 78,030,615 shares
(excluding 869,385 shares in treasury stock)

c. Number of shareholders 8,062

(Note) Quarterly changes are as described below.

March, 31, 2023	6,859
June, 30, 2023	4,289
September, 30, 2023	4,446
December 31, 2023	4,702
March, 31, 2024	8,062



d. Major shareholders (Top 10)

Name of Shareholders	Equity in Fujitec	
	Number of shareholding	Ratio of shareholding
	thousand shares	%
Uchiyama International Co., Ltd.	5,043	6.46
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,690	6.01
GOLDMAN SACHS INTERNATIONAL	4,028	5.16
Morgan Stanley MUFG Securities Co., Ltd.	3,784	4.85
Resona Bank, Ltd.	3,079	3.95
MOJAVE INVESTORS LTD.	2,759	3.54
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRDPARTY	2,620	3.36
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	2,534	3.25
OASIS JAPAN STRATEGIC FUND LTD.	2,472	3.17
Santo Co., Ltd.	2,386	3.06

(Note) Ownership Ratio in the table above represents the ratio of shares held to the total number of issued shares, excluding 869,385 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)	2,829	3

(Notes) 1. The shares noted above were delivered via the disposal of treasury stock having a disposal date of August 18, 2023.

2. In addition to the foregoing, a total of 4,481 shares of treasury stock were issued as of the date of disposal, August 18, 2023, to 21 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 & Production General Manager
Director	Kosuke Sato	In Charge of Administration Division, General Manager of Finance HQ
Director	Kazuhiro Mishina	Professor, Kobe University, Graduate School of Business Administration Substitute Audit & Supervisory Board Member, Sumitomo Metal Mining Co., Ltd.
Director	Kaoru Umino	Partner, DLA Piper Tokyo Partnership Foreign Law Office Member of the board of directors (Director) of Lawyers for LGBT and Allies Network
Director	Torsten Gessner	
Director	Clark Graninger	Managing Director, WealthPark Capital, Inc. Representative Director, COO/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.
Member of the Audit & Supervisory Board (Standing)	Yasuo Utsunomiya	
Member of the Audit & Supervisory Board (Standing)	Takeharu Igaki	
Member of the Audit & Supervisory Board	Tatsuo Ikeda	Foreign Law Joint Enterprise, Kitahama Partners, Of Counsel
Member of the Audit & Supervisory Board	Yoshiyuki Yamasaki	Certified Public Accountant, Office of Yoshiyuki Yamasaki Outside Director, Audit and Supervisory Committee Member, Tokyo Rakutenchi Co., Ltd.

- (Notes) 1. Directors Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada and Anthony Black are outside directors as stipulated in the Companies Act, and Members of the Audit & Supervisory Board Tatsuo Ikeda, and Yoshiyuki Yamasaki are outside members of the Audit & Supervisory Board as stipulated in the Companies Act.
Also, Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada, Anthony Black, Tatsuo Ikeda, and Yoshiyuki Yamasaki 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 Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, Anthony Black, and Members of the Audit & Supervisory Board Tatsuo Ikeda and Yoshiyuki Yamasaki 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 77th fiscal year were 1 million yen.
4. Member of the Audit & Supervisory Board Yasuo Utsunomiya has a great deal of experience in general affairs, human resources, legal affairs, and other management areas as an operating officer. He has considerable knowledge of corporate management in general.
5. 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.
6. Member of the Audit & Supervisory Board Tatsuo Ikeda has a wealth of experience and insight from his important roles as a university professor, attorney, and involvement in local government councils. He is familiar with corporate legal affairs, and has considerable knowledge of corporate management in general, including finance and accounting.
7. 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.
8. Changes in the Current Fiscal Year were as follows.
(Appointment) Directors Masayoshi Harada, Takashige Nakajima, Kosuke Sato, Anthony Black and Member of the Audit & Supervisory Board Takeharu Igaki were elected and appointed at the 76th Ordinary General Meeting of Shareholders, held on June 21, 2023.
(Resignation) As of the conclusion of the 76th Ordinary General Meeting of Shareholders held on June 21, 2023, directors Takao Okada, Takashi Asano, Masashi Tsuchihata and Member of the Audit & Supervisory Board Satoshi Hiramitsu have completed their terms and resigned their positions.

9. Changes in Responsibilities and Important Concurrent Positions of Members of the Audit & Supervisory Board Occurring After the End of the Current Fiscal Year are as follows.

Name	After Change	Before Change	Date of Change
Yoshiyuki Yamasaki	Certified Public Accountant, Office of Yoshiyuki Yamasaki	Certified Public Accountant, Office of Yoshiyuki Yamasaki Outside Director, Audit and Supervisory Committee Member, Tokyo Rakutenchi Co., Ltd.	April, 26, 2024

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, Kazuhiro Mishina, Kaoru Umino, Torsten Gessner, Clark Graninger, Ako Shimada and Anthony Black and members of the Audit & Supervisory Board Yasuo Utsunomiya, Takeharu Igaki, Tatuo Ikeda and Yoshiyuki Yamasaki, 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 corporate auditor 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, corporate auditors, 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, corporate auditors, 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 a Company 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 a Company 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	Kazuhiro Mishina	Mr. Mishina 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 Chairman of the Nomination and Compensation Advisory Committee, Mr. Mishina has actively participated in all aspects of the said Committee, including the search for and selection of candidates for internal and outside directors and designing of compensation. He has continued to contribute to the expansion of the management structure enhancement and enhancement of governance.
	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. Ms. Umino has provided leadership and led governance reforms as chairwoman of the board of directors, and she continues to provide useful suggestions and advice on ESG and sustainability issues.
	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. As a member of the Nomination and Compensation Advisory Committee, Mr. Gessner has actively participated in all activities of the Committee, including the search for and selection of candidates for internal and outside directors and the design of their compensation. He has contributed significantly to the growth of our business through his global leadership experience and network in the elevator industry.
	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. Mr. Graninger has pursued governance reform through leadership in shareholder relations, and he continues to contribute to the planning of measures that enhance our corporate value.
	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. As a member of the Nomination and Compensation Advisory Committee, Ms. Shimada has actively participated in all activities of the committee, including the search for and selection of candidates for internal and outside directors and the design of their compensation. She has contributed to governance reforms and the strengthening of group management, compliance, and risk management based on her extensive experience in group management of global companies.
	Anthony Black	After assuming the position of Director, Mr. Black attended all 9 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. Mr. Black has contributed to the review of our business strategy by providing advice based on his extensive knowledge of the elevator industry in Japan and overseas.
Outside Members of the Audit & Supervisory Board	Tatsuo Ikeda	Mr. Ikeda attended 12 of the 12 meetings of the board of directors and 14 of the 15 meetings of the Audit & Supervisory Board held during the current fiscal year, and was proactive in making remarks from his specialized standpoint as an attorney.
	Yoshiyuki Yamasaki	Mr. Yamasaki attended all 12 meetings of the board of directors and all 15 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.

(Note) Mr. Kazuhiro Mishina, Chairman of the Nomination and Compensation Advisory Committee, an advisory body to the board of directors, Mr. Torsten Gessner, and Ms. Ako Shimada, members of the same committee, attended all 3 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 Ordinary General 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 Ordinary General Shareholders' Meeting in question, Fujitec had nine directors (six of whom were outside directors). The amount of the annual retainer for corporate auditors was set at 60 million yen or less at the 60th Ordinary General Meeting of Shareholders held on June 27, 2007. As of the conclusion of the Ordinary General Shareholders' Meeting in question Fujitec had three members of the Audit & Supervisory Board.

Separate from this monetary remuneration, a resolution was passed at the 74th Ordinary General 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 Ordinary General 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 Ordinary General Shareholders' Meeting 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 accordance 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) To motivate directors to improve performance in the short to medium term, bonuses for performance-linked remuneration to be paid within four months after the end of the current fiscal year shall be determined based on operating income of the previous fiscal year as a performance indicator. The amount to be paid to each individual shall be determined in accordance with the 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 2016 through fiscal 2023 (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 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
Fiscal 2015 (Period 69)	5,400	5,199	96.3%	Fiscal 2016 (Period 70)	4	130	73	—	204

The details of remuneration for individual directors described above have been discussed at a meeting 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

Through June 20, 2023, the board of directors delegated to Company president Takao Okada the decision for amounts within the scope of the annual amount of remuneration, etc., per resolution of the General Meeting of Shareholders and in accordance with the policy decided by the board of directors. This delegation of authority was made in the belief that it is optimal for the president to evaluate the activities, responsible duties, contributions, etc., of each director from a high-level view of the overall performance of the Company (the board of directors will determine the amount of remuneration, etc., of individual directors for payment on and after June 21, 2023). We have also obtained advice and findings from the Nomination and Compensation Advisory Committee to ensure appropriateness and transparency.

In April 2023, the board of directors received reports from and consulted with the committee. The Board resolved to pay individual basic remuneration to outside directors who will be in office after March 2023, 12,500,000 yen per director per fiscal year, calculated 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)	12 (6)	175 (72)	57 (-)	10 (-)	28 (28)	271 (100)
Member of the Audit & Supervisory Board (Outside members, included)	5 (3)	54 (19)	- (-)	- (-)	- (-)	54 (19)
Total	17	230	57	10	28	325

(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 three directors who retired during the current fiscal year (zero outside directors).

3. The number of Corporate Auditors and their remuneration includes the number of individuals and amount paid to one Corporate Auditor who retired during the current fiscal year (one Outside Corporate Auditor).

4. As of the conclusion of the 60th Ordinary General 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	34 million yen
Total Amount of Monetary and Non-Monetary Benefits Payable by the Company and its Subsidiaries to the Financial Statement Auditor	34 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 12 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 have 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. Structures to ensure that the execution of duties by the directors and employees of the Company and the directors, etc., and employees of the Company's subsidiaries comply with laws and regulations and the Articles of Incorporation
 - a. To enhance the soundness of Group management and operations, the Company shall establish Management Philosophy, Management Personnel Philosophy, and a Corporate Code of Conduct, communicating these statements throughout the Company and its subsidiaries
 - b. The directors and operating officers of the Company and the directors, etc., of the Company's subsidiaries shall take the initiative in executing and complying with Management Philosophy, Management Personnel Philosophy, and Corporate Code of Conduct. Directors, etc., shall act in accordance with social norms and ethics as members of society to form and maintain a sound corporate culture.
 - c. The board of directors of the Company shall make decisions on the execution of important business matters of the Company in accordance with laws and regulations and the Articles of Incorporation, and shall supervise the execution of duties by the directors of the Company. The board of directors of the Company shall make appropriate and reasonable judgments and decisions by listening to the opinions of outside experts as necessary, and by receiving fair and objective advice and opinions from outside members of the Audit & Supervisory board and outside directors.
 - d. The directors of the Company shall report to the board of directors of the Company immediately upon discovery of any problems in the execution of their duties with respect to compliance with laws and regulations and the Articles of Incorporation.
 - e. The Company shall establish an Internal Audit Office as a department independent of departments in charge of business execution. To achieve management objectives effectively and in accordance with the Basic Rules for Internal Auditing, the Internal Audit Office shall evaluate and consider the effectiveness of risk management, controls, and governance processes of the Company and its subsidiaries. The office shall provide opinions based on such evaluation and consideration, carry out advice, recommendation and support for improvement, and regularly report them to the board of directors.
 - f. To promote compliance through the Company group, the Company shall establish the Compliance Committee, which will oversee the formulation and implementation of compliance programs, including guidance and education for employees.
 - g. With respect to unjust or improper acts, or potential unjust or improper acts, the Company shall collect and investigate information from employees who are unlikely to report improper or potentially improper acts through the normal lines of business. The Company shall promote the establishment and use of internal reporting and consultation services throughout the group, including the main offices of the Company's subsidiaries, to take appropriate corrective and remedial measures in the event of such acts.
 - h. To prevent harm to the Company caused by antisocial forces, the Company shall establish a policy to deal with unreasonable demands, including a policy to ignore unreasonable demands, communicating these policies to all employees.
2. Structures for the storage and management of information related to the execution of duties by directors
 - a. Information related to the execution of duties by the directors of the Company shall be made available for inspection at all times in accordance with the internal rules for document management, etc., which stipulate the handling of information, storage method, storage period, etc.
 - b. To promote the appropriate handling and storage of information, prevent leakage, and detect the danger of leakage at an early stage, the Company shall establish an Information Security Policy. The Company shall communicate this policy throughout the group and pursue measures that contribute compliance with the policy by establishing an Information Security Committee within the Company.
3. Regulations and other structures for managing the risk of loss to the Company and its subsidiaries
 - a. The Company shall formulate Risk Management Rules to define risk management within the Company and its subsidiaries. The Company shall manage risks comprehensively across the group based on these rules.
 - b. The Company shall establish a Risk Management Committee, chaired by the president of the Company, to

pursue group-wide risk management in the early detection and avoidance of the risk of loss to the Company and its subsidiaries. In addition, the Company shall establish a Risk Management Steering Committee as an advisory body to the Risk Management Committee. These committees shall be responsible for ensuring effectiveness of the group-wide risk management.

- c. If the Company or any subsidiary is expected to suffer damage due to natural disaster or other unexpected event, the Company shall establish a special and temporary task force in accordance with Crisis Management Rules and other internal regulations. The Company shall pursue measures promptly to prevent damages.
4. Structures to ensure the efficient execution of duties by the directors of the Company and the directors, etc., of the Company's subsidiaries
 - a. The Company shall formulate a medium-term management plan for the group covering a period of three fiscal years. To achieve this medium-term management plan, the Company shall determine important group-wide performance targets and budget allocations for each fiscal year.
 - b. The Company shall delegate the business execution authority of directors to operating officers. The Company shall clarify the duties and responsibilities of operating officers in accordance with resolutions of the board of directors and internal regulations. Further, the Company shall establish an appropriate and efficient operating officer system.
 - c. With respect to important issues that must be addressed to achieve the Company's management goals, operating officers, etc., shall share and communicate information to the Global Management Committee and the Operating Officers' Meeting. Reports or proposals shall be submitted to the board of directors as necessary, after considering and deliberating on various measures related to the issues noted above.
 - d. The Company shall utilize information and communication facilities, including the Company's intranet and video conferencing facilities, to ensure the smooth and prompt communication of information necessary to the duties of directors, for the mutual exchange of information, and to stimulate deliberations.
 5. Structures for reporting to the Company on matters related to the execution of duties by directors, etc., of the Company's subsidiaries and other structures for ensuring the appropriateness of operations of the corporate group, which consists of the Company and its subsidiaries
 - a. In accordance with rules established by the Company, the Company shall receive reports of operating results, financial conditions, personnel affairs, and other important management matters of the subsidiaries from its subsidiaries on a regular basis, and damages arising from a natural disaster or other unexpected event each time whenever they are expected to occur at subsidiaries. If, based on such reports, the Company recognizes the need to address important issues to achieve the group's management objectives, the relevant operating officers of the Company, etc., shall examine and deliberate on various measures related to such issues at the Global Management Committee. The operating officers, etc., shall monitor, instruct, and supervise the execution of business by the subsidiary as necessary.
 - b. When deemed particularly necessary for the business, etc., of a subsidiary, the Company's directors and operating officers, etc., shall be seconded or dispatched to the subsidiary to supervise and/or execute the business.
 6. Matters concerning employees assigned to assist in the duties of the members of the Audit & Supervisory Board, the independence of such employees from directors, and ensuring the effectiveness of instructions to such employees

Employees assigned to assist members of the Audit & Supervisory Board in their duties shall be assigned exclusively to a department that is independent of departments involved in business execution. Such employees shall follow the instructions of the members of the Audit & Supervisory board in accordance with work rules regarding such employees. Personnel evaluations, transfers and disciplinary actions of employees assigned to assist members of the Audit & Supervisory Board shall be conducted so as to give appropriate respect to the opinions of the members of the Audit & Supervisory Board.
 7. Structures for reporting to members of the Audit & Supervisory Board by directors and employees, structures for reporting to members of the Audit & Supervisory Board by Company subsidiary directors, members of Audit & Supervisory Boards, individuals engaged in work as employees and other equivalent persons and employees, or individuals receiving reports from such individuals, and other structures for reporting to members of the Audit & Supervisory Board and structures to ensure audits conducted by members of the Audit & Supervisory Board

are performed effectively

- a. The directors of the Company shall report to the members of the Audit & Supervisory Board immediately upon discovery of any problems in the execution of their duties with respect to compliance with laws and regulations and the Articles of Incorporation.
- b. In addition to attending meetings of the board of directors, members of the Audit & Supervisory Board may attend other meetings, including the Global Management Committee, to gain an understanding of the status of business execution related to important matters and issues as listed in Paragraph 5, (a). Members of the Audit & Supervisory Board may inspect important documents related to business execution, including approval documents, and may request explanations from directors, operating officers, etc.
- c. Members of the Audit & Supervisory Board shall receive regular explanations from the independent accounting auditor and the Internal Audit Office regarding their respective audit policies and implementation status. Members of the Audit & Supervisory Board shall cooperate with these entities through the exchange of information, etc.
- d. The Internal Audit Office shall report to members of the Audit & Supervisory Board on the status of internal audits, etc., regarding compliance, risk management, internal reporting, and consultation, etc., of the Company and its subsidiaries on a regular and/or timely basis.

8. Structures to ensure that individuals reporting to the Audit & Supervisory Board are not treated unfairly in retaliation

In accordance with internal rules, the Company shall prohibit any officer or employee of the group who has submitted a report to members of the Audit & Supervisory Board from being treated unfairly in retaliation.

Further, the Company shall properly manage the information of the individual in question and the content of said report.

9. Procedures for prepayment or reimbursement of expenses incurred in the execution of duties by members of the Audit & Supervisory Board and other policies related to the treatment of expenses or liabilities incurred in the execution of such duties

- a. To contribute to the smooth execution of the audit plan by members of the Audit & Supervisory Board, the Company shall estimate in advance the expenses required for the duties under said plan and account for such expenses in the annual budget.
- b. With respect to the expenses or debts stipulated under each item of Article 388 of the Companies Act that are incurred by members of the Audit & Supervisory Board during the execution of their duties, any request made to the Company for advance payment of such expenses, reimbursement of expenses paid, or repayment to creditors, the Company shall, after examination by the department in charge, pay the expenses, etc., of such request without delay, unless it is clear that such expenses, etc., were/are not necessary for the execution of the duties of the members of the Audit & Supervisory Board in question.

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 held four meetings during the fiscal year under review to discuss and implement 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, we are 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.

Furthermore, in December 2023, we announced our response and began efforts in this regard, including specific measures to establish the highest standards of corporate governance.

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 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 measures in December 2023, the Company decided to revise our existing takeover response manual (special edition) and to develop a crisis response manual.

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

To enhance monitoring by members of the Audit & Supervisory Board regarding the status of important business operations and the progress of accounting audits and internal audits, standing members attend the Global Management Meeting at which the operating officers in charge of the Group's major business areas report on the status of business operations. From the current fiscal year, members of the Audit & Supervisory Board have visited overseas subsidiaries as necessary to investigate the status of their operations and assets. In addition, we monitored the deliberations of important management issues by attending the Risk Management Committee meeting. In addition, members of the Audit & Supervisory Board, independent accounting auditors, and auditors assigned to the Internal Audit Office attend the Three-Party Audit Liaison Meeting on a regular basis to explain the status of audits.

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

With the aim of realizing our basic policy on corporate control, we announced a new three-year medium-term management plan, Vision24 Fujitec Medium-Term Management Plan (FY2022 - FY2024) in December 2021. In March 2022, we published supplemental disclosure of Vision24 explaining specific measures and capital policies. We intend to increase our market share by expanding our New Installation and Aftermarket Businesses as described in Vision 24, as well as to ensure that we improve our profitability by expanding sales and promoting cost reductions, as well as to improve management transparency. And in light of changes in the business environment surrounding the Company, we announced a new five-year medium-term management plan in May 2024, Medium-Term Management Plan 2024-2028: Move On 5, which entails fundamental corporate reforms to realize the Company's latent value. In the new medium-term management plan, we 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, we will continue to provide safe and reliable products to people around the world for the sustainable enhancement of our corporate value in the global market. The strategic direction of Move On 5 is as described below.

Continuity...the essence of what we 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 Balance Sheets

(As of March, 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	190,484	Current liabilities	84,304
Cash and cash equivalents	80,560	Notes and accounts payable-trade	18,181
Notes and accounts receivable-trade	85,141	Electronically recorded obligations-operating	4,116
Merchandise and finished goods	3,672	Short-term debt	5,733
Work in process	4,322	Accrued income taxes	4,431
Raw materials and supplies	12,922	Provision for bonuses	3,173
Other	7,653	Provision for director bonuses	57
Allowance for doubtful accounts	(3,789)	Provision for losses on construction contracts	10,227
Fixed assets	65,917	Provision for warranties for completed construction	2,234
Property, plant and equipment	39,547	Provision for shareholder benefit program	127
Buildings and structures	19,844	Advances from customers	20,999
Machinery and equipment	5,551	Other	15,021
Tools, furniture and fixtures	2,869	Non-current liabilities	6,921
Land	7,256	Long-term debt	128
Leased assets	2,380	Deferred tax liabilities	213
Construction in progress	1,645	Net defined benefit liability	4,595
Intangible assets	6,036	Asset retirement obligations	53
Goodwill	2,210	Other	1,931
Other	3,826	Total liabilities	91,225
Investments and other assets	20,334	Net assets	
Investments securities	11,770	Shareholders' equity	136,349
Long-term loans receivable	1,171	Paid-in capital	12,533
Retirement benefit asset	980	Additional paid-in capital	14,565
Deferred tax assets	3,580	Retained earnings	111,405
Other	3,505	Treasury stock	(2,155)
Allowance for doubtful accounts	(674)	Accumulated other comprehensive income	12,008
		Valuation difference on available-for-sale securities	4,806
		Deferred gains or losses on hedges	(125)
		Foreign currency translation adjustments	7,473
		Remeasurements of defined benefit plans	(146)
		Stock acquisition rights	35
		Non-controlling interests	16,783
		Total net assets	165,177
Total assets	256,402	Total liabilities and net assets	256,402

Consolidated Statements of Income

(April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		229,401
Cost of sales		180,994
Gross profit		48,407
Selling, general and administrative expenses		33,835
Operating income		14,571
Other income		
Interest income	2,429	
Dividend income	261	
Foreign exchange gain	752	
Rent income	189	
Miscellaneous income	999	4,632
Other expenses		
Interest expenses	387	
Provision of allowance for doubtful accounts	13	
Miscellaneous loss	86	486
Ordinary income		18,717
Special gain		
Gain on sales of property, plant and equipment	5,363	
Gain on sales of investment securities	466	5,830
Special loss		
Loss on sales of property, plant and equipment	4	
Loss on retirement of property, plant and equipment	19	
Impairment loss	607	631
Profit before income taxes		23,916
Income taxes expense	4,775	
Income taxes for prior periods	605	
Deferred taxes expense	148	5,529
Net income		18,387
Profit attributable to non-controlling interests		556
Profit attributable to owners of parent		17,830

Consolidated Statements of Changes in Shareholders' Equity (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Additional paid-in capital	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the current fiscal year	12,533	14,475	99,546	(2,287)	124,268
Impact of provisional accounting treatment finalization			(0)		(0)
Beginning balance reflecting provisional accounting treatment finalization	12,533	14,475	99,545	(2,287)	124,268
Change during the current fiscal year					
Change in ownership interest of parent due to transactions with non-controlling interests		81			81
Dividends from surplus			(5,852)		(5,852)
Changes in scope of consolidation			(48)		(48)
Effect of hyperinflation			(70)		(70)
Profit attributable to owners of parent			17,830		17,830
Purchases of treasury stock				(1)	(1)
Disposal of treasury stock		8		133	141
Net changes of items other than shareholders' equity					
Total changes during the current fiscal year	—	89	11,859	132	12,081
Balance at the end of the current fiscal year	12,533	14,565	111,405	(2,155)	136,349

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the current fiscal year	2,426	(127)	2,098	(768)	3,629	35	16,185	144,118
Impact of provisional accounting treatment finalization			0		0		(0)	(0)
Beginning balance reflecting provisional accounting treatment finalization	2,426	(127)	2,098	(768)	3,629	35	16,185	144,117
Change during the current fiscal year								
Change in ownership interest of parent due to transactions with non-controlling interests								81
Dividends from surplus								(5,852)
Changes in scope of consolidation								(48)
Effect of hyperinflation								(70)
Profit attributable to owners of parent								17,830
Purchases of treasury stock								(1)
Disposal of treasury stock								141
Net changes of items other than shareholders' equity	2,379	1	5,375	622	8,379	—	598	8,977
Total changes during the current fiscal year	2,379	1	5,375	622	8,379	—	598	21,059
Balance at the end of the current fiscal year	4,806	(125)	7,473	(146)	12,008	35	16,783	165,177

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: 25

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)

Effective as of the current consolidated fiscal year, the Company included Elevadores EV International, S.A. de C.V. in the scope of consolidation under The Americas and Europe segment due to the increased importance of the company in question. In addition, Stampede Elevator INC. was included in the scope of consolidation as it became a new subsidiary following the acquisition of all its outstanding shares through Fujitec Canada, Inc., a wholly owned subsidiary.

(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 derivative..... 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 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.
- b. Provision for bonuses The Company provides an allowance for the payment of bonuses to employees based on the estimated payment amount.
- c. 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.
- d. 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 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 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.
- f. Provision for shareholder benefit program The 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. We measure 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.

For the calculation of net defined benefit liability and defined benefit expenses, some consolidated subsidiaries have

adopted the simplified method, using the amount of payments required at the end of the period for defined benefits as defined benefit obligations.

- 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 a 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
For derivative transactions, each Company's finance department conducts transactions for the purpose of risk hedging, and hedges interest rate fluctuation risk and exchange rate fluctuation risk related to the hedging targets within a certain range.
 - 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 10,227 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 ASU No.2016-13, Financial Instruments—Credit Losses

During the current consolidated fiscal year, the Company adopted Accounting Standards Update (ASU) No.2016-13 (Financial Instruments—Credit Losses) for Fujitec Group subsidiaries using U.S. generally accepted accounting principles. With this change, we revised our method for measuring financial instruments. The aforementioned ASU also requires the recognition of write-downs for financial assets using an expected credit loss model. The adoption of this accounting standard has no effect on our consolidated financial statements or per-share information.

Supplemental information

1. Transaction to deliver Fujitec Co., Ltd. shares to employees, etc. via trust

At a meeting held November 6, 2020, the Fujitec Co., Ltd. board of directors resolved to adopt the E-Ship Trust-Type Employee Shareholding Incentive Plan. The purpose of this plan is to incentivize employees to raise corporate value over the medium and long term, to expand employee welfare benefits, and to encourage steady Company growth by motivating employees through equity participation. However, the company terminated the Trust on August 29, 2023.

2. 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	2,292	million yen
Machinery and equipment	58	million yen
Land	295	million yen
Total	2,646	million yen
Short-term debt	369	million yen
Long-term debt	91	million yen

2. Accumulated depreciation for property, plant and equipment 42,470 million yen

Notes to the consolidated Statements of Income

Income taxes for prior periods

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

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)	Decrease 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, 21, 2023 General Meeting of Shareholders	Common stock	3,120	40.00	March, 31, 2023	June, 21, 2023
November, 8, 2023 Board of Directors	Common stock	2,731	35.00	September, 30, 2023	December, 1, 2023

(Note) Dividends for Company shares held by the Trust-Type Employee Shareholding Incentive Plan (E-Ship) amounted to 2 million yen of the total dividends approved at the ordinary general meeting of shareholders held June 21, 2023. In addition, the dividend per share includes a five yen per share commemorative dividend on the occasion of the Company's 75th anniversary

(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, 2024.

Resolution	Class of stock	Total dividend value (millions of yen)	Source of dividend	Dividends per share (yen)	Record date	Effective date
June, 26, 2024 General Meeting of Shareholders	Common stock	9,363	Retained earnings	120.00	March, 31, 2024	June, 27, 2024

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: 38 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 determines 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, 2024.

(Millions of yen)

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

(*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	846

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

(*3) Contract assets are not included.

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

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

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				
Bond	—	43	—	43
Stock	10,761	—	—	10,761
Total assets	10,761	43	—	10,805
Derivative transactions				
Currency-related derivatives	—	149	—	149
Total liabilities	—	149	—	149

(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	—	80,565	—	80,565
Notes and accounts receivable - trade and contract assets (Before exclusion of allowance of doubtful accounts) (*)	—	61,078	—	61,078
Long-term loans receivable (Before exclusion of allowance of doubtful accounts)	—	1,169	—	1,169
Total assets	—	142,812	—	142,812
Notes and accounts payable-trade	—	18,181	—	18,181
Electronically recorded obligations-operating	—	4,116	—	4,116
Short-term debt	—	5,733	—	5,733
Long-term debt	—	128	—	128
Lease obligations	—	2,371	—	2,371
Total liabilities	—	30,531	—	30,531

(*) Contract assets are not included.

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

Derivative transactions

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

Cash and deposits

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

Notes and accounts receivable-trade and contract assets

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

Long-term loans receivable

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

Notes and accounts payable-trade, electronically recorded obligations-operating, and short-term debt
Fair values classified as Level 2 fair value, as these items are settled over a short period of time and fair values approximate carrying value.

Long-term debt

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

Lease obligations

Fair value classified as Level 2 fair value, as fair value is calculated by discounting total principle 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	31,410	39,667	13,236	11,844	96,158
Aftermarket	54,122	25,462	17,358	32,602	129,545
Other	33	1,963	404	1,294	3,696
Revenue from contracts with customers	85,565	67,094	30,999	45,741	229,401
Sales to external customers	85,565	67,094	30,999	45,741	229,401

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 it can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the costs incurred. 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 it charges 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 estimated 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 it can reasonably estimate the degree of progress in satisfying the performance obligation based on inputs based on the 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 based on independent sales price for such maintenance services as a separate performance obligation and recognizes revenue over 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.

(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	59,922	64,119
Contract assets	16,416	21,021
Contract liabilities	22,025	20,999

Contract assets relate to the rights of the Company or subsidiaries to consideration for goods or services for which the Company or subsidiaries have satisfied or partially satisfied performance obligations under new installation and modernization contracts as of the balance sheet date, but for which invoices have yet to be issued. Contract assets are reclassified to accounts receivable when the Company or consolidated subsidiaries rights to the 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 the unearned consideration received from customers in advance of the performance of contracts for goods or services provided by the Company and its consolidated subsidiaries. Contract liabilities related to the unearned consideration are reduced as revenue is recognized for the respective contract.

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

(2) Transaction prices allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations as of March 31, 2024 was 179,533 million yen. The Company expects the remaining performance obligations to be 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	1,901.28 yen
Net income per share	228.55 yen
Diluted earnings per share	228.44 yen

(Note) In calculating average number of shares of common stock during the period used as a basis for the calculation per-share information, treasury shares deducted for said calculation include Fujitec Co., Ltd. stock held as E-Ship Trust-Type Employee Shareholding Incentive Plan.

Other Notes

(Finalization of provisional accounting treatment for business combinations)

The business combination with Express Lifts Limited (currently Fujitec Express Limited) on September 20, 2022, subject to provisional accounting treatment in the previous consolidated fiscal year, was finalized in the current consolidated fiscal year. With the finalization of this provisional accounting treatment, the Company recorded a significant revision in the preliminary allocation of acquisition costs, allocating 150 million yen allocated to intangible assets and 39 million yen to deferred tax liabilities. As a result, the amount of goodwill calculated provisionally decreased 111 million yen from 1,496 million yen to 1,385 million yen. Other intangible assets and foreign currency translation adjustments increased 146 million yen and 0 million yen, respectively, while goodwill, investments and other assets-other, retained earnings, and non-controlling interests decreased 108 million yen, 38 million yen, 0 million yen, and 0 million yen, respectively, as of the end of the previous consolidated fiscal year.

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

Balance Sheets

(As of March, 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
Assets		Liabilities	
Current assets	40,404	Current liabilities	25,751
Cash and cash equivalents	7,507	Notes payable - trade	3
Notes receivable - trade	2,781	Accounts payable - trade	2,704
Accounts receivable-trade	24,342	Electronically recorded obligations-operating	4,116
Merchandise and finished goods	741	Short-term debt	1,400
Work in process	183	Accounts payable - other	4,672
Raw materials and supplies	3,961	Accrued expenses	323
Prepaid expenses	332	Accrued income taxes	3,259
Short-term loans receivable	264	Advances from customers	2,745
Accounts receivable - other	270	Deposits received	536
Other	220	Provision for bonuses	2,233
Allowance for doubtful accounts	(202)	Provision for director bonuses	57
Fixed assets	65,853	Provision for losses on construction contracts	2,766
Property, plant and equipment	24,428	Provision for warranties for completed construction	131
Buildings	11,303	Provision for shareholder benefit program	127
Structures	285	Other	670
Machinery and equipment	2,691	Non-current liabilities	2,081
Vehicles	40	Provision for retirement benefits	1,997
Tools, furniture and fixtures	1,928	Asset retirement obligations	53
Land	6,657	Other	29
Construction in progress	1,522	Total liabilities	27,832
Intangible assets	756	Net assets	
Software	644	Shareholders' equity	73,584
Right of using facilities	111	Paid-in capital	12,533
Investments and other assets	40,668	Additional paid-in capital	14,574
Investments securities	10,923	Legal capital surplus	14,565
Shares of subsidiaries and associates	16,580	Other additional paid-in-capital	8
Investments in capital of subsidiaries and associates	9,270	Retained earnings	48,631
Long-term loans receivable	1,167	Legal retained earnings	1,337
Bankruptcy reorganization claims	1	Other retained earnings	47,294
Long-term prepaid expenses	133	Reserve for advanced depreciation of fixed assets	73
Prepaid pension expenses	588	Reserve for dividends	900
Deferred tax assets	552	Reserve for research and development	800
Lease deposits	1,577	General reserve	3,500
Reserve for insurance	54	Retained earnings brought forward	42,020
Other	493	Treasury stock	(2,155)
Allowance for doubtful accounts	(674)	Valuation and translation adjustments	4,806
		Valuation difference on available-for-sale securities	4,806
		Stock acquisition rights	35
Total assets	106,258	Total net assets	78,425
		Total liabilities and net assets	106,258

Statements of Income (April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount	
Net sales		88,072
Cost of sales		63,831
Gross profit		24,240
Selling, general and administrative expenses		17,595
Operating income		6,645
Other income		
Interest income	129	
Dividend income	9,603	
Foreign exchange gain	658	
Miscellaneous income	224	10,616
Other expenses		
Interest expenses	89	
Provision of allowance for doubtful accounts	13	
Miscellaneous loss	36	139
Ordinary income		17,121
Special gain		
Gain on sales of property, plant and equipment	1	
Gain on sales of investment securities	466	467
Special loss		
Loss on retirement of property, plant and equipment	10	
Impairment loss	142	153
Profit before income taxes		17,436
Income taxes expense	2,729	
Income taxes for prior periods	605	
Deferred taxes expense	(95)	3,238
Net income		14,197

Non-Consolidated Statements of Changes in Shareholders' Equity (April 1, 2023 to March 31, 2024)

(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 fixed 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	—	14,565	1,337	77	900	800	3,500	33,671	40,285
Change during the current fiscal year											
Reversal of reserve for advanced depreciation of fixed assets						(3)				3	—
Dividends from surplus										(5,852)	(5,852)
Net income										14,197	14,197
Purchases of treasury stock											
Disposal of treasury stock			8	8							
Net changes of items other than shareholders' equity											
Total changes during the current fiscal year	—	—	8	8	—	(3)	—	—	—	8,349	8,345
Balance at the end of the current fiscal year	12,533	14,565	8	14,574	1,337	73	900	800	3,500	42,020	48,631

	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	(2,287)	65,097	2,426	2,426	35	67,559
Change during the current fiscal year						
Reversal of reserve for advanced depreciation of fixed assets		—				—
Dividends from surplus		(5,852)				(5,852)
Net income		14,197				14,197
Purchases of treasury stock	(1)	(1)				(1)
Disposal of treasury stock	133	141				141
Net changes of items other than shareholders' equity			2,379	2,379	—	2,379
Total changes during the current fiscal year	132	8,486	2,379	2,379	—	10,865
Balance at the end of the current fiscal year	(2,155)	73,584	4,806	4,806	35	78,425

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. Accounting standards for provisions

(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. We measure 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 2,766 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.

Supplemental information

Transaction to deliver Fujitec Co., Ltd. shares to employees, etc. via trust

At a meeting held November 6, 2020, the Fujitec Co., Ltd. board of directors resolved to adopt the E-Ship Trust-Type Employee Shareholding Incentive Plan. The purpose of this plan is to incentivize employees to raise corporate value over the medium and long term, to expand employee welfare benefits, and to encourage steady Company growth by motivating employees through equity participation. However, the company terminated the Trust on August 29, 2023.

Notes to the balance sheets

1. Accumulated depreciation for property, plant and equipment 23,103 million yen

2. Guarantee obligations

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

(Loan guarantee)

Fujitec Taiwan Co., Ltd. 2,322 million yen

Fujitec Korea Co., Ltd. 1,017 million yen

3,339 million yen

(Other payment guarantees)

Fujitec America, Inc. 404 million yen

Fujitec Canada, Inc. 22 million yen

427 million yen

3. Monetary receivables and payables from and to affiliated companies

Short-term monetary claims 1,999 million yen

Long-term monetary claims 1,165 million yen

Short-term monetary debt 677 million yen

Notes to statements of income

1. Transaction volume with affiliated companies

Operating revenue 2,534 million yen

Operating expenses 8,374 million yen

Volume of non-business transactions 9,471 million yen

2. Income taxes for prior periods

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

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	927	0	58	869

(Note) The number of common shares held as treasury stock as of the end of the current fiscal year consists of 0 shares from odd-lot purchases and 869,000 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 22, 2023	7 thousand shares
Decrease due to sale to the Company's employee stock ownership association due to the E-Ship Trust-Type Employee Shareholding Incentive Plan	51 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	1,465 million yen
Provision for retirement benefits	431 million yen
Provision for bonuses	683 million yen
Allowance for doubtful accounts	268 million yen
Accrued enterprise tax	170 million yen
Provision for warranties for completed construction	40 million yen
Provision for losses on construction contracts	847 million yen
Other	511 million yen
<u>Subtotal of deferred tax assets</u>	<u>4,419 million yen</u>
Valuation allowance	(1,769) million yen
<u>Total deferred tax assets</u>	<u>2,649 million yen</u>

Deferred tax liabilities

Valuation difference on available-for-sale securities	(2,064) million yen
Deferred tax assets (reserve for advanced depreciation)	(32) million yen
<u>Total deferred tax liabilities</u>	<u>(2,097) million yen</u>

<u>Deferred tax assets, net</u>	<u>552 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 America, Inc.	Ownership 100.00, direct	Sale of Company products and semi-finished products Fund lending, debt guarantee Shared officers	Recovery of funds	1,068	Long-term loans receivable	—
				Interest received (Note 1)	0	Other current assets	—
				Debt guarantee (Note 2)	404	—	—
	Fujitec (HK) Co., Ltd.	Ownership 100.00, direct	Sale of Company products and semi-finished products Fund borrowings Shared officers	Repayment of funds	1,068	Long-term debt	—
				Interest expenses paid (Note 1)	0	Accrued expenses	—
	Fujitec Taiwan Co., Ltd.	Ownership 74.83, direct	Sale of Company products and semi-finished products Debt guarantee Shared officers	Debt guarantee (Note 3)	2,322	—	—
	Fujitec Saudi Arabia Co., Ltd.	Ownership 75.00, direct	Sale of Company products and semi-finished products Lending of funds	Recovery of funds	—	Short-term loans receivable (Note 4)	264
				Lending of funds (Note 1)	—	Long-term loans receivable (Note 4)	1,135
				Interest received (Note 1)	79	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 other payments, but not received any guarantee fees.
3. The Company has guaranteed loans borrowed from financial institutions, but has not received any guarantee fees.
4. The Company recorded 27 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 656 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	1,004.61 yen
Net income per share	181.99 yen
Diluted earnings per share	181.89 yen

(Note) In calculating average number of shares of common stock during the period used as a basis for the calculation per-share information, treasury shares deducted for said calculation include Fujitec Co., Ltd. stock held as E-Ship Trust-Type Employee Shareholding Incentive Plan.

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

Notes to significant subsequent events

At a meeting held April 22, 2024, the Fujitec (HK) CO., LTD. Board of Directors resolved to propose a distribution of dividends from surplus at a general meeting of shareholders to be held in early June 2024. As Fujitec (HK) CO., LTD. is a wholly owned subsidiary of the Company, the matter is scheduled to be resolved at the said meeting of shareholders. As a result, the Company will record a dividend income of HK\$607.5 million (approximately 12.1 billion yen) as non-operating income in the non-consolidated financial results for the fiscal year ending March 31, 2025.

* Yen conversion figures in parentheses () are reference values based on the conversion of 1 Hong Kong dollar to 20 Japanese yen.

Accounting Audit Report on Consolidated Financial Statements

Independent Auditor's Report

May 17, 2024

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, 2023 to March 31, 2024, 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising and implementing the audit of the consolidated financial statements. 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, 2024

FUJITEC CO., LTD.
To the Board of Directors

Grant Thornton Taiyo LLC

Osaka Office

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

Audit Opinion

We have audited the financial statements of Fujitec Co., Ltd. for the 77th fiscal year from April 1, 2023 to March 31, 2024, 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, 2024, 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.

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 & Supervisory Board Report

Audit Report

We have audited the directors' performance of duties for the 77th fiscal year from April 1, 2023 to March 31, 2024. 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 17, 2024

FUJITEC CO., LTD. Audit & Supervisory Board

Member of the Audit & Supervisory Board (Standing)	Yasuo Utsunomiya	Ⓔ
Member of the Audit & Supervisory Board (Standing)	Takeharu Igaki	Ⓔ
Member of the Audit & Supervisory Board (Outside Audit & Supervisory Board Member)	Tatsuo Ikeda	Ⓔ
Member of the Audit & Supervisory Board (Outside Audit & Supervisory Board Member)	Yoshiyuki Yamasaki	Ⓔ

End

Company Stock Information

■ Fiscal Year	April 1 to March 31
■ General Meeting of Shareholders	June
■ Record date	Ordinary General 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, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
■ 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)