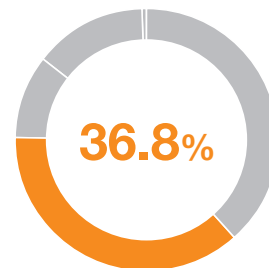
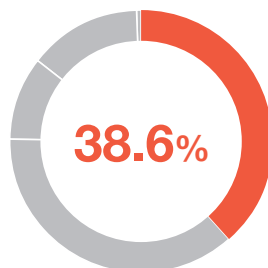


Review of Operations (For the Fiscal Year Ended March 31, 2018)

Japan

East Asia

Net Sales Composition Ratio by Segment (%)



Segment Information

(Consolidated subsidiaries only for net sales, operating income (loss) and the number of employees)

Net sales **¥67,646 million**
(Up 3.2% YoY)

Operating income **¥5,728 million**
(Up ¥283 million YoY)

Number of affiliates **3**

Number of employees **2,919**

Areas covered **All over Japan**

Net sales **¥70,442 million**
(Down 3.0% YoY)

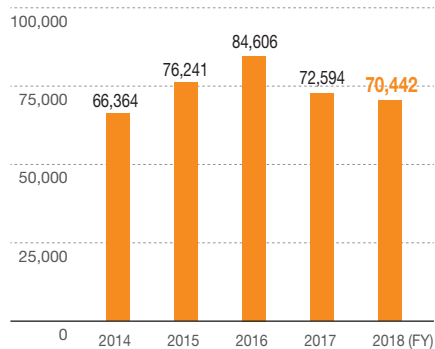
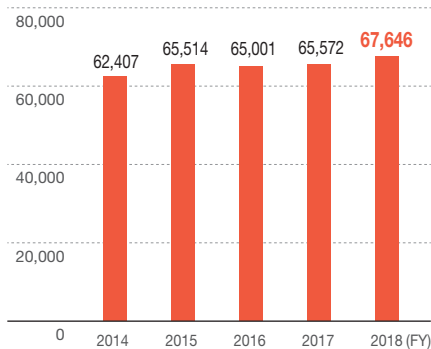
Operating income **¥2,258 million**
(Down ¥2,282 million YoY)

Number of affiliates **9**
(7 of which are consolidated subsidiaries)

Number of employees **4,667**

Areas covered **China, Taiwan, Hong Kong and Korea**

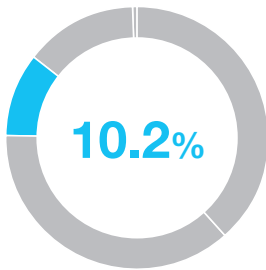
Net Sales (Millions of yen)



Main Projects



South Asia



Net sales **¥17,192 million**
(Up 10.3% YoY)

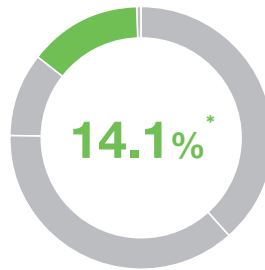
Operating income **¥1,936 million**
(Up ¥216 million YoY)

Number of affiliates **12**
(8 of which are consolidated subsidiaries)

Number of employees **1,548**

Areas covered **Singapore, Malaysia, the Philippines, Thailand, Vietnam, Indonesia, India, Sri Lanka and Myanmar**

North & South America



Net sales* **¥23,871 million**
(Up 8.1% YoY)

Operating income* **¥920 million**
(Down ¥10 million YoY)

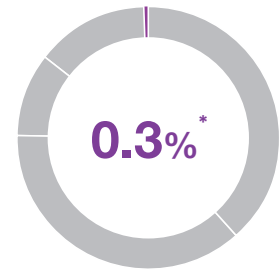
Number of affiliates **7**
(2 of which are consolidated subsidiaries)

Number of employees* **786**

Areas covered **U.S.A., Canada, Venezuela, Argentina, Uruguay and Guam**

*The figures are for North America only.

Europe & Middle East



Net sales* **¥511 million**
(Up 25.4% YoY)

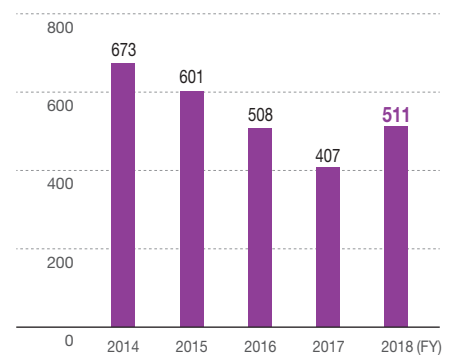
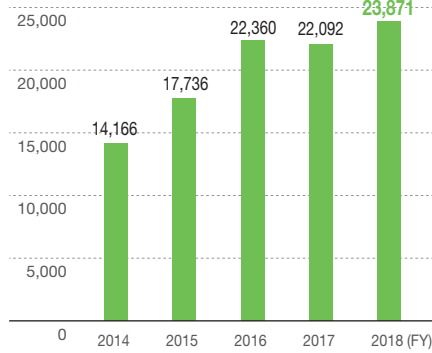
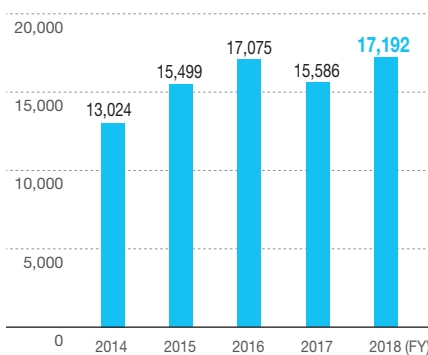
Operating loss* **(¥68 million)**
(Operating loss of ¥54 million in the previous fiscal year)

Number of affiliates **3**
(1 of which is a consolidated subsidiary)

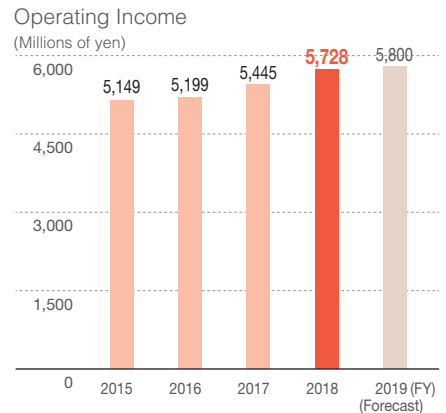
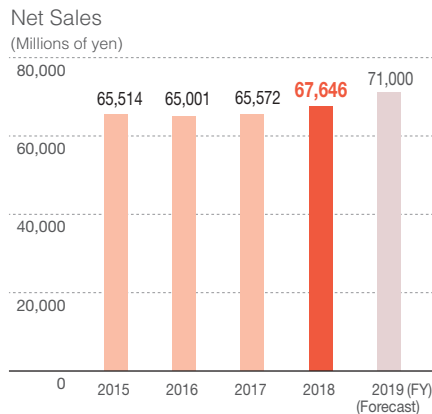
Number of employees* **11**

Areas covered **U.K., Saudi Arabia, Egypt and UAE**
A subsidiary in Germany was sold off in February 2018.

*The figures are for Europe only.



Review of Operations



Fiscal years ended March 31

Initiatives in the Fiscal Year Ended March 31, 2018

Net sales rose 3.2% from the previous fiscal year due to an increase in sales from both the new installation business and after-sales market business. Operating income increased ¥283 million year on year despite a rise in subcontracting costs and labor costs in the new installation business, which was offset by an increase in sales from modernization and service businesses. As a result, Fujitec posted record-high net sales and operating income for the second consecutive year.

New Installation Business

In the new installation business, orders for hotel products increased, as well as for retail outlets and distribution facilities.

In the Tokyo metropolitan area, Fujitec saw the consecutive completion of redevelopment construction projects, including “SHIBUYA CAST.,” a complex facility, and “Cross Garden Chofu,” a large-scale commercial facility. Fujitec supplied 16 elevators and escalators for the former and 22 elevators and escalators for the latter, respectively. We also delivered a total of 16 elevators and escalators for “SORATIO SQUARE,” new school buildings at Teikyo University in Hachioji City for which Phase II construction was completed. In Yokohama City, we received an order for eight elevators for the “Keikyuu Group Head Office Building (tentative name)” being constructed in the Minato Mirai 21 district.

In the Kinki area, we supplied 11 elevators for “XIV Rokko Sanctuary Villa,” a members-only resort hotel in Kobe City, and 14 elevators and escalators for “Mizuno Osaka Chayamachi,” a commercial facility in Osaka City. In the Hokuriku area, we supplied 11 elevators and escalators for the “central building of Kanazawa Medical University Hospital.”



SHIBUYA CAST. (Tokyo)

“SHIBUYA CAST.” opened in spring 2017 as part of the ongoing large-scale redevelopment project in the area around Shibuya Station. It is a complex facility designed under the concept of “a space for living, working and relaxing that accepts diversity and inspires creativity.” We supplied 16 elevators and escalators for this facility.



SORATIO SQUARE of Teikyo University (Tokyo)

After-Sales Market Business

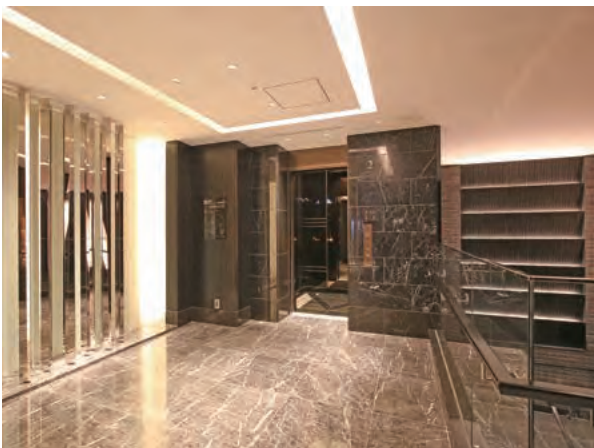
In the modernization business (updating of existing elevators and escalators), we focus on updating equipment with the latest safety standards and control systems. A steady increase in sales was posted, mainly from control panel replacement packages for the latest elevators, in addition to safety enhancement modernization packages that combine Unintended Car Movement Protection (UCMP), P-wave sensor-equipped earthquake control operation and seismic reinforcement.

We also developed and began offering a new “unit in truss method” in which all of the equipment is replaced with the latest standard escalator while retaining only the truss of the existing escalator. Not requiring the use of large, heavy equipment for carrying in materials, this method is expected to be used in a wide variety of fields, including the modernization of escalators at subway stations where the delivery of materials is difficult.

Outlook and Initiatives for the Next Fiscal Year

In Japan, there are moves to pull back on new construction due to rising construction costs, but demand is expected to remain steady in the Tokyo metropolitan area, where development projects for large-scale buildings are ongoing.

Amid this environment, we expect an increase in orders and sales in the new installation business by carrying out proactive sales promotional activities for standard models. We also anticipate orders and sales to increase in the after-sales market business, driven by maintenance services. As for profits, despite anticipated increases in labor costs and other expenses, we will strive to increase profits by offsetting rising fixed costs through cost reduction activities and improved productivity.

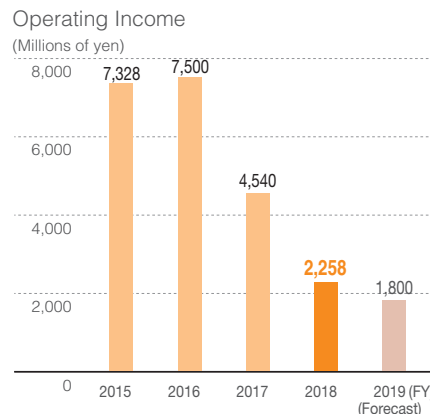
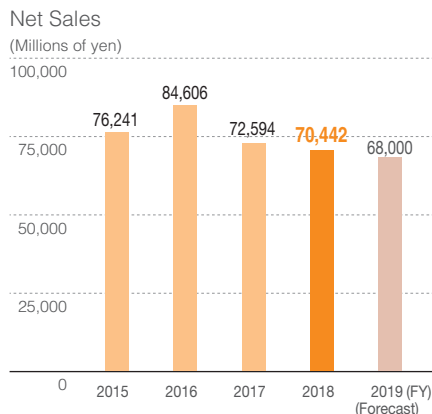


XIV Rokko Sanctuary Villa (Kobe)



Central Building of Kanazawa Medical University Hospital (Kanazawa)

Review of Operations



Fiscal years ended March 31

Initiatives in the Fiscal Year Ended March 31, 2018

In East Asia, we recorded decreases in both sales and profits from the previous fiscal year despite a strong performance in Hong Kong, Taiwan, South Korea and other countries. These decreases reflect the tough market environment in China, which is mainly attributed to a decline in new installations, lower sales prices and rising materials costs.

Notwithstanding, the new installation business in China received new record-high orders for both elevators and escalators. We supplied 24 elevators and escalators for “Yiwu World Trade Center,” a skyscraper in Yiwu, Zhejiang Province, and 51 elevators and escalators for “Beicheng Times,” a large-scale complex facility in Hubei Province. We also received orders for 327 elevators and escalators for “Shenzhen Metro Lines 4 and 10” in Shenzhen, Guangdong Province, and 115 escalators for “Shenyang Metro Line 9” in Shenyang, Liaoning Province.

In Taiwan, we received orders for 22 elevators for “China Life Insurance New HQ Building,” a complex facility in Taipei, and 35 elevators and escalators for “Tonlin Department Store Taoyuan,” a commercial facility in Taoyuan City. In Hong Kong, we received an

order for 29 elevators and escalators for “West Kowloon Government Office,” a government facility. We supplied and installed 34 elevators and escalators for “Young City,” an office building in Seoul Special Metropolitan City in South Korea.

Outlook and Initiatives for the Next Fiscal Year

The Chinese economy is expected to maintain stable growth, partly reflecting strong domestic and external demand and signs of bottoming out for fixed asset investment. However, the decline in profitability attributed to fierce price competition is expected to continue in the elevator and escalator industry. On the other hand, Hong Kong and Taiwan continue to see steady economic growth, while there are signs of economic recovery in South Korea.

Under such circumstances, Fujitec will continue to position China as its most important market to invest management resources. At the same time, we will improve the break-even point by seeking cost reductions and additionally related measures. In the mature markets of Hong Kong, Taiwan and South Korea, we will focus on promoting modernization operations. We expect both sales and profits to decline in the fiscal year ending March 31, 2019.

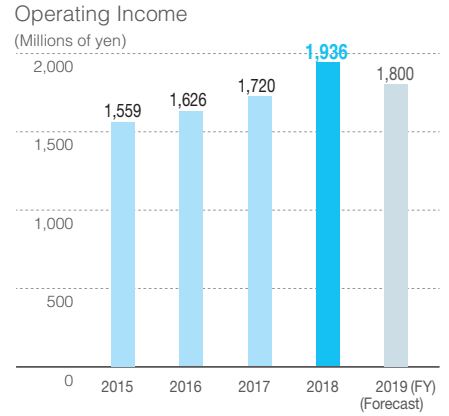
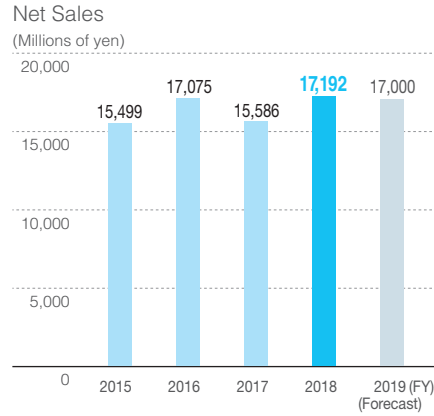


China Life Insurance New HQ Building (Taiwan)



West Kowloon Government Office (Hong Kong)

South Asia



Fiscal years ended March 31

Initiatives in the Fiscal Year Ended March 31, 2018

In South Asia, Fujitec enjoyed double-digit growth for both net sales and operating income despite a slump in orders received for the new installation business in India. This was offset by the strong performance of the after-sales market business and other businesses in Singapore and the ASEAN region.

In Vietnam, we received orders for 12 elevators for “Athena Complex,” a commercial complex in Hanoi. In Singapore, we delivered 98 elevators and escalators for “Marina One,” a large-scale complex facility in the Marina Bay district, and 73 elevators, escalators and moving walks for “Our Tampines Hub,” a large-scale complex facility in the Tampines district.

In Thailand, we received an order for 10 elevators for “Plum Condo Chaengwattana,” a residential building in Bangkok. In Malaysia, we supplied 83 escalators and moving walks for “Paradigm Mall Johor Bahru,” a large-scale complex facility in Johor Bahru. We also received an order for 75 escalators and moving walks for “Tropicana Gardens,” a commercial facility in Petaling Jaya.

Outlook and Initiatives for the Next Fiscal Year

We expect strong sales in the after-sales market business in Singapore, including maintenance and modernization, although the new installation business will decline due to the stagnant new installation market. Profits in Singapore are expected to decrease, reflecting increases in labor costs and expenses. We plan to increase profits based on the strong modernization business in Indonesia and Malaysia, although the stagnant new installation market is expected to have a negative impact.

With market expansion expected in India, the introduction of the Real Estate (Regulation and Development) Act, which came into force in May 2017, and the Goods and Services Tax that came into effect in July 2017 resulted in economic deceleration. However, as the upward momentum of the economy gathers strength, demand is expected to increase.

Although expansion is expected in India, we expect sales and profits to decline in the fiscal year ending March 31, 2019 due to stagnation in Singapore and other countries as well as increases in labor costs and expenses.



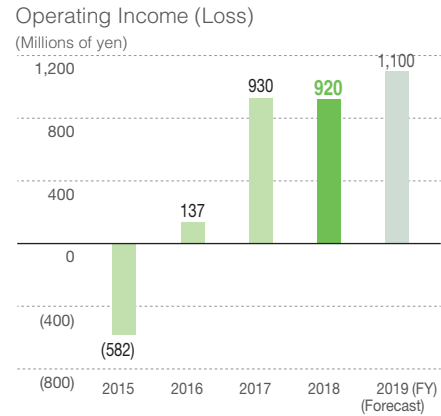
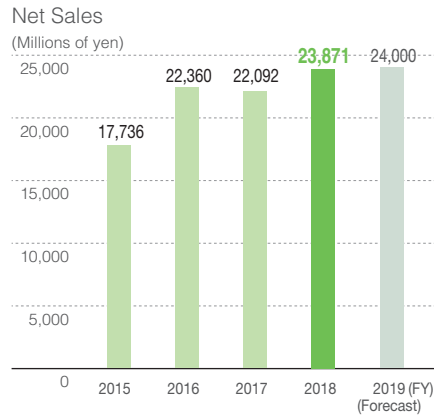
Our Tampines Hub (Singapore)



Marina One (Singapore)

Review of Operations

North & South America



* The figures are for North America only.
Fiscal years ended March 31

Initiatives in the Fiscal Year Ended March 31, 2018

With North and South American economies expanding steadily, the overall elevator and escalator industry witnessed strong sales. Fujitec posted an increase in sales thanks to strong modernization and service businesses.

We received elevator orders for high-rise complexes in New York, including seven elevators for “138 Willoughby Street” and 11 elevators for “Court Square City View Tower,” respectively. In Dallas, we received orders for the modernization of 22 elevators for complex facility “Park West” and 38 elevators and escalators, including double-deck elevators, for “Bank of America Plaza.” We additionally received an order for the modernization of 18 elevators at the complex facility “Five Hundred Boylston” in Boston.

In Buenos Aires, Argentina, we supplied and installed 17 elevators and escalators for “Alvear Icon Hotel & Residence” and 10 elevators for the “headquarters building of Banco Galicia.” We additionally received an order for 12 elevators for “Torre Catalinas,” an office building with 30 above-ground floors. In Punta del Este, Uruguay, we received an order for 13 elevators for the luxury residential building “Trump Tower.”

Outlook and Initiatives for the Next Fiscal Year

In North America, new demand is anticipated to be stagnant in Canada. In the United States, however, growth is expected to accelerate under further tax cuts, with increased demand for new installations expected in the elevator and escalator market as well. In South America, demand for condominiums is expected to expand, while fierce price competition continues in the new installation market of Argentina.

Fujitec will proactively strive to expand market share by implementing sales activities to capture new installation orders in large cities, while also strengthening product capabilities in the modernization sector. Net sales for the fiscal year ending March 31, 2019 are anticipated to increase slightly; however, double-digit growth of operating income is expected due mainly to the contribution of service business.

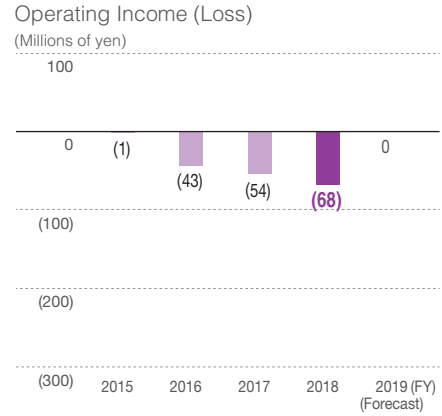
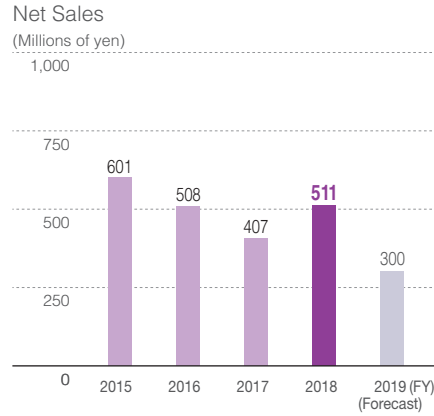


Bank of America Plaza (U.S.A.)



Trump Tower (Uruguay)

Europe & Middle East



* The figures are for Europe only.
Fiscal years ended March 31

Initiatives in the Fiscal Year Ended March 31, 2018

In Europe, we achieved double-digit growth of net sales due to an increase in new installations. However, Fujitec posted an operating loss due in part to the negative impact of exchange rate fluctuations.

In the Middle East, we successively received orders and completed construction projects in Saudi Arabia. We received an order for 12 elevators, including six observation-model elevators for “Saleem Sheikh Hotel,” a luxury 30-story hotel in Mecca. We also delivered 12 elevators for “Bin Bishr 22,” another luxury hotel in Mecca. In Jeddah, we supplied and installed 12 elevators for the lower-level floors and higher-level floors of “Farci Seven,” a high-rise complex that includes luxury residential units.

In the United Arab Emirates (UAE), we received an order of 30 elevators for residential units of “Town Square,” a large-scale residential development project in Dubai. Currently under construction, Fujitec received an order for 17 elevators at a luxury residential building in Dubai called “Marina 106.”

Outlook and Initiatives for the Next Fiscal Year

In the Middle East, the market environment of the UAE, where Dubai EXPO will be held in 2020, has been favorable. In addition,

strong markets have materialized in Bahrain, where the construction of a complex facility consisting of offices, a hotel and a commercial facility is planned in the Gulf area, as well as in Lebanon, where demand for condominiums in Beirut is driving the market. Further, the elevator and escalator market of Saudi Arabia shows high potential.

In the United Kingdom, growth of the construction market is expected on the back of an increase in domestic investments, including plans to construct condominiums and a commercial facility in south London.

Under these conditions, we have obtained the latest European safety standards certification for ZEXIA and REXIA, our global standard elevator models, and are working to expand their sales to regions where such standards apply. In the fiscal year ending March 31, 2019, net sales are expected to decline by about ¥200 million due in part to the sell-off of a subsidiary in Germany.



Town Square (Dubai)



Saleem Sheikh Hotel (Saudi Arabia)