



FUJITEC

**Fiscal Year Ended
March 31, 2019 (FY2018)
Financial Result
Presentation**

May 24, 2019

- 1. Fiscal Year 2018 Financial Results**
- 2. New Mid-term Management Plan**
- 3. Fiscal Year 2019 Forecasts**

1. Fiscal Year 2018 Financial Results

1-1. Fiscal Year 2018 Summary

Net sales increased for two consecutive periods and net income reached a new record high

(Millions of yen)

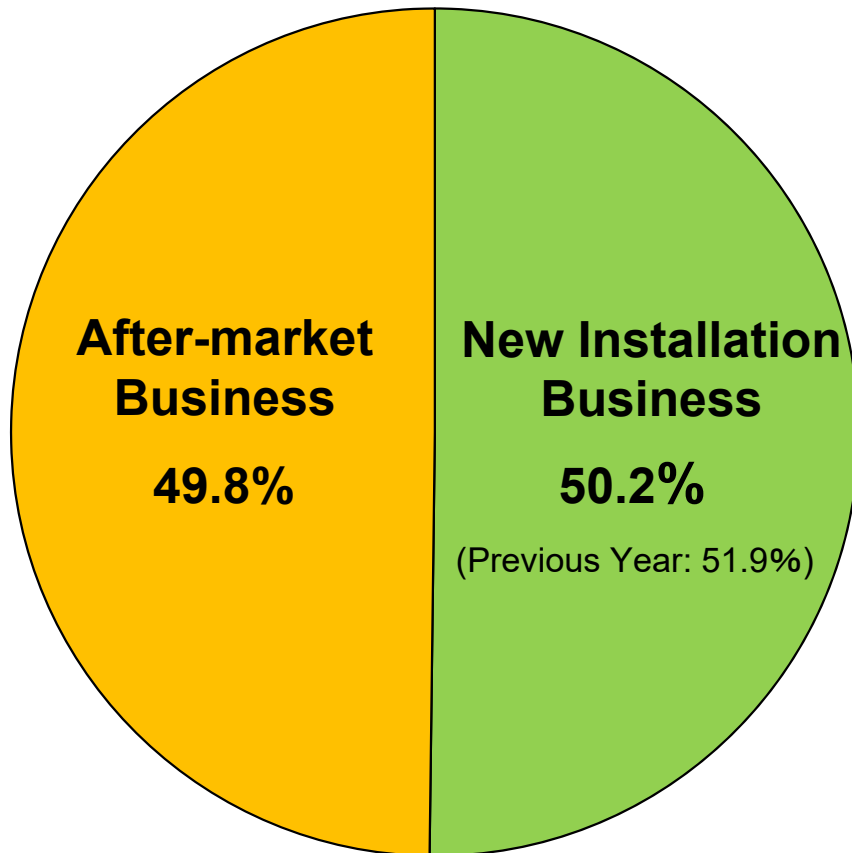
	FY2018	Percentage (Margin)	Initial Plan	FY2017	Percentage (Margin)	Change
Orders Received	179,007	100.0%	-	182,023	100.0%	- 1.7%
Domestic	74,408	41.6%	-	68,094	37.4%	+ 9.3%
Overseas	104,599	58.4%	-	113,929	62.6%	- 8.2%
Net Sales	170,759	100.0%	170,000	168,795	100.0%	+ 1.2%
Domestic	69,050	40.4%	-	64,935	38.5%	+ 6.3%
Overseas	101,708	59.6%	-	103,860	61.5%	- 2.1%
Operating Income	10,313	6.0%	10,300	10,665	6.3%	- 3.3%
Ordinary Income	11,922	7.0%	11,000	11,911	7.1%	+ 0.1%
Profit Attributable to Owners of Parent	9,220	5.4%	8,300	8,857	5.2%	+ 4.1%
EPS	¥ 114.14	-	¥ 102.90	¥ 109.82	-	+ ¥4.32

Average Exchange Rate : FY2018 1US\$=¥110, FY2017 1US\$=¥112

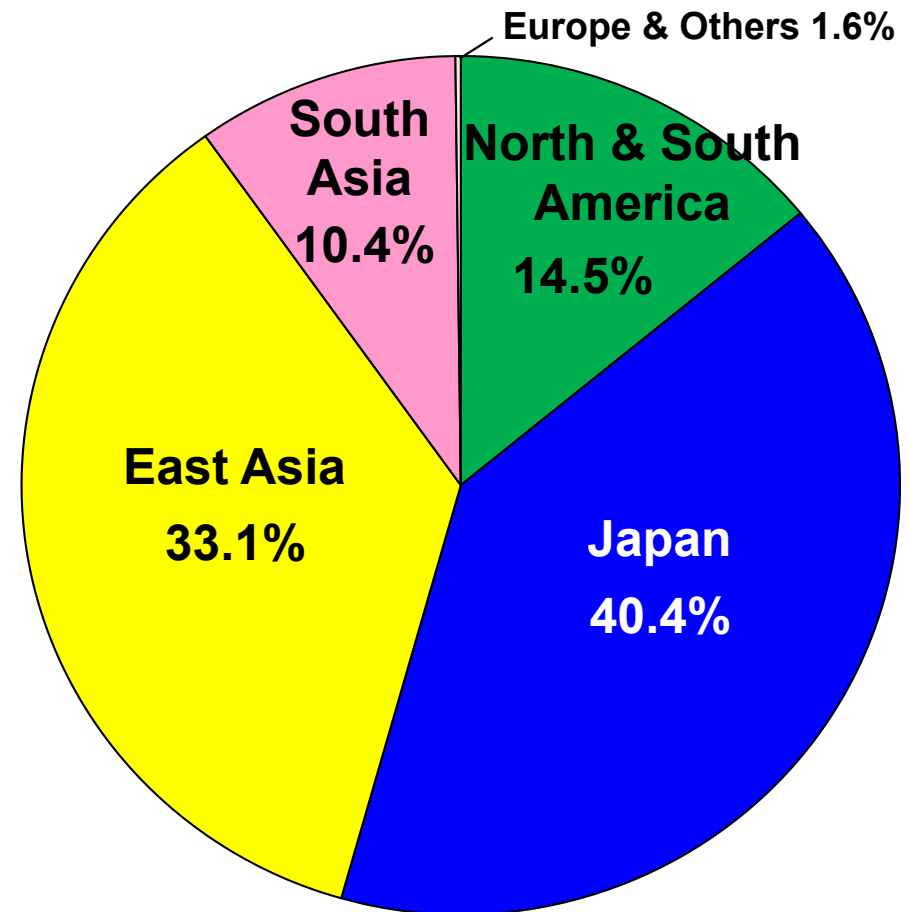
1-2. Net Sales by Business and Geographical Area **FUJITEC**

The overseas sales ratio was approximately equal to the previous year

Net sales by Business



Net Sales by Geographical Area



1-3. Net Sales & Operating Income by Segment



Net sales and operating income in Japan increased and East Asia & North America remained flat year-on-year

(Millions of yen)

	Net Sales			Operating Income		
	FY2018	FY2017	Change in %	FY2018	FY2017	Change
Japan	72,485	67,646	+ 7.2%	5,206	5,728	- 522
East Asia	69,308	70,442	- 1.6%	2,269	2,257	+ 12
South Asia	16,572	17,191	- 3.6%	1,851	1,936	- 84
North America	23,721	23,871	- 0.6%	936	920	+ 16
Europe	323	511	- 36.6%	- 43	- 67	+ 24
Total	182,411	179,662	+ 1.5%	10,220	10,774	- 554
Reconciliations	- 11,652	- 10,867	-	92	- 109	+ 202
Consolidated	170,759	168,795	+ 1.2%	10,313	10,665	- 351

Average Exchange Rate : FY2018 1US\$=¥110, FY2017 1US\$=¥112

1-4. Summary by Segment (Japan)

Net sales reached new record highs in the past three periods

(Millions of yen)

	FY2018	FY2017	Change
Net Sales	72,485	67,646	+ 7.2%
Operating Income	5,206	5,728	- 9.1%
Operating Income Margin	7.2%	8.5%	- 1.3P

Orders Received

- New Installation Orders increased significantly, mainly because the Tokyo metropolitan area continued major development projects
- Modernization orders received mostly trended steadily

Net Sales & Operating Income

- Increased for net sales due to increases in New Installation Business and After-market Business
- Operating income decreased due to increased fix costs such as labor costs and logistic costs caused by work congestion

1-4. Summary by Segment (East Asia)

The profit margin in China improved

(Millions of yen)

	FY2018	FY2017	Change
Net Sales	69,308	70,442	- 1.6%
Operating Income	2,269	2,257	+ 0.5%
Operating Income Margin	3.3%	3.2%	+ 0.1P

Orders Received

- Demand for New Installation Business in China remains stable and severe price competition continues in China
- New installation orders received in China decreased significantly

Net Sales & Operating Income

- Although net sales in China and Taiwan increased , net sales in Hong Kong and Korea decreased
- The profit margin for export in Korea decreased and the profit margin for New Installation Business in China improved

1-4. Summary by Segment (South Asia)

Net sales and operating income decreased due mainly to a slump in Singapore

(Millions of yen)

	FY2018	FY2017	Change
Net Sales	16,572	17,191	- 3.6%
Operating Income	1,851	1,936	- 4.4%
Operating Income Margin	11.2%	11.3%	- 0.1P

Orders Received

- Demands remains stable
Especially in India, orders received increased significantly

Net sales & Operating Income

- Net sales and operating income in Singapore decreased due to sluggish demand in the private sector
- Increased operating income in Malaysia and Indonesia
- Although net sales in India increased, operating income remained flat year-on-year due to increased expenditure etc.

1-4. Summary by Segment (North America & Europe) **FUJITEC**

After-market Business increased in North America and Europe could not become profitable

(Millions of yen)

North America	FY2018	FY2017	Change
Net Sales	23,721	23,871	- 0.6%
Operating Income	936	920	+ 1.8%
Operating Income Margin	3.9%	3.9%	-

(Millions of yen)

Europe	FY2018	FY2017	Change
Net Sales	323	511	- 36.6%
Operating Income	- 43	- 67	-
Operating Income Margin	-	-	-

Orders Received

- Demands in the USA remains stable due to economic expansion
- Orders received in Canada are in good shape

Net Sales & Operating Income

- After-market Business in the USA increased despite a decrease in New Installation Business
- Operating income decreased due to selling the German subsidiary in the previous year
- New installation business in the United Kingdom is sluggish

2. New Mid-term Management Plan



FUJITEC

Innovation, Quality & Speed

New Mid-Term Management Plan FY2019-FY2021

Action Vision

- 1, "Expansion of Fujitec standard model in our products throughout the world and enhancement of our profitability with customers' satisfaction"
- 2, "Reinforcement of our technical platform to enhance corporate growth and value"
- 3, "Process innovation to meet changing needs of customers at their required speed"
- 4, "Enhancement of quality of management with SDGs approach"

Action Vision

“Innovation, Quality & Speed”

Our Policy

We aim to provide safe and reliable products to people around the world for sustainable enhancement of our corporate value in the global market.

Goal for the End of the Mid-term Plan (Consolidated Basis)

Net Sales	1 8 0 Bln Yen (Base Year2018 Results + 5.4%)
Operating Income	1 3 Bln Yen (Base Year2018 Results +26.1%)
Operating Income Margin	7 . 2 % (Base Year2018 Results +1.2%pt)
ROE	8 . 0 % or more

FX Rate: Year2018 Result 110Yen/USD, The Mid-term plan 105Yen/USD

2-2. Segment Financial Information Targets

Increases of Operating Income for all segments

MIn Yen	Year2018 Results		
	Net Sales	Operating Income	The Income Margin
Japan	72,485	5,206	7.2%
East Asia	69,308	2,269	3.3%
South Asia	16,572	1,851	11.2%
North America & Europe	24,045	893	3.7%
Sub-total	182,411	10,220	5.6%
Reconciliations	- 11,652	92	-
Consolidated	170,759	10,313	6.0%

※FX Rate : 110Yen/USD

MIn Yen	Year2021 Plan		
	Net Sales	Operating Income	The Income Margin
Japan	75,000	6,200	8.3%
East Asia	69,000	3,500	5.1%
South Asia	21,000	2,100	10.0%
North America & Europe	28,000	1,400	5.0%
Sub-total	193,000	13,200	6.8%
Reconciliations	- 13,000	- 200	-
Consolidated	180,000	13,000	7.2%

※FX Rate : 105円Yen/USD

*: Current segments "North America" and "Europe" will be consolidated as "North America & Europe" from Year2019. For convenience on this comparison, the two segments in Year2018 are consolidated into "North America & Europe".

2-3. Action Vision

Key Objective 1

“Expansion of Fujitec standard model in our products throughout the world and enhancement of our profitability with customers’ satisfaction”

- Value-added solution for satisfaction of customers’ needs
- Infiltration of value of brand-name “Fujitec” according to market share increase

Key Objective 2

“Reinforcement of our technical platform to enhance corporate growth and value”

- Enhancement of competitiveness and efficiency of development process
- Creation of added value by development of our advanced technologies

Key Objective 3

“Process innovation to meet changing needs of customers at their required speed”

- Innovation of manufacturing technologies with automated works and manpower savings
- Construction of optimal framework of production and logistics

Key Objective 4

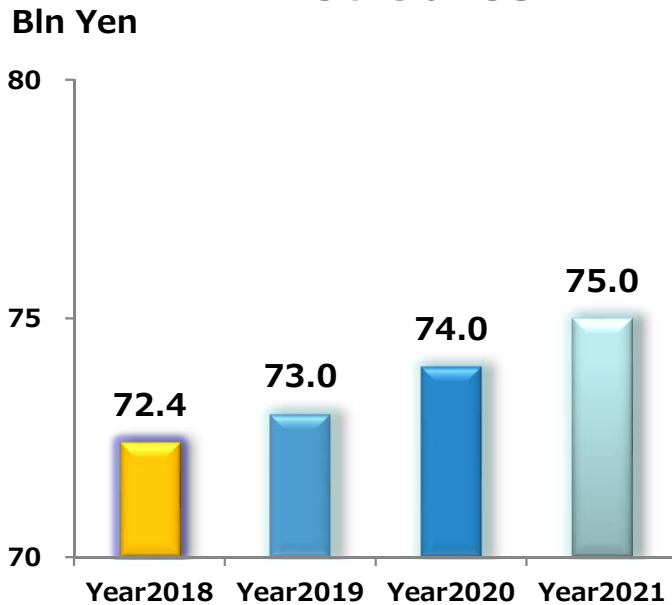
“Enhancement of quality of management with SDGs approach”

- Optimal allocation of management resources
- Capital cost conscious management

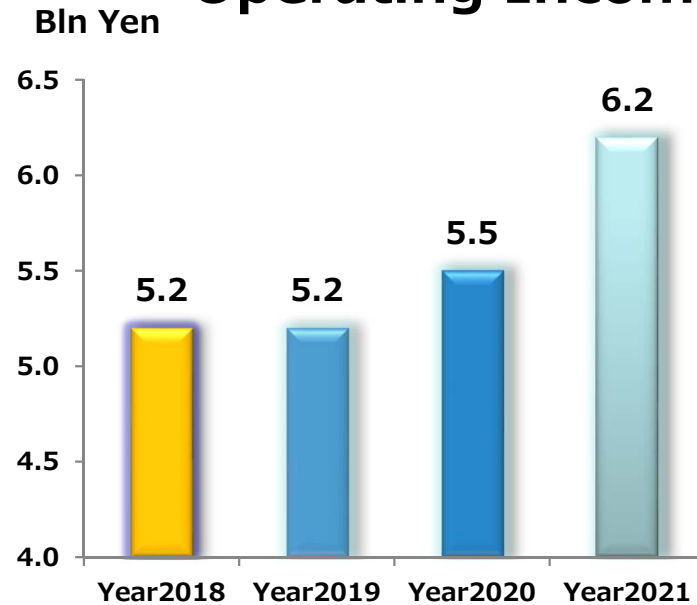
2-4. Key Objective 1

Japan

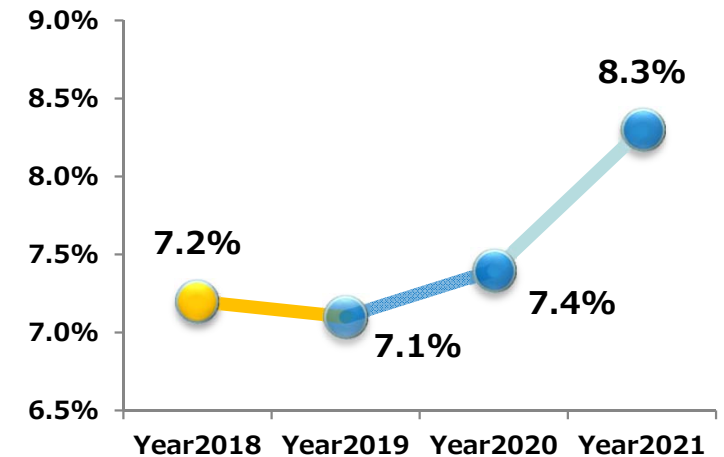
Net Sales



Operating Income



Operating Income Margin



•New Installation:

- Achieving an increase in orders from properties with high market value and further enhancing the brand name “Fujitec”
- Introducing our new line of elevator models on the market

•Modernization:

- Achieving sustainable growth

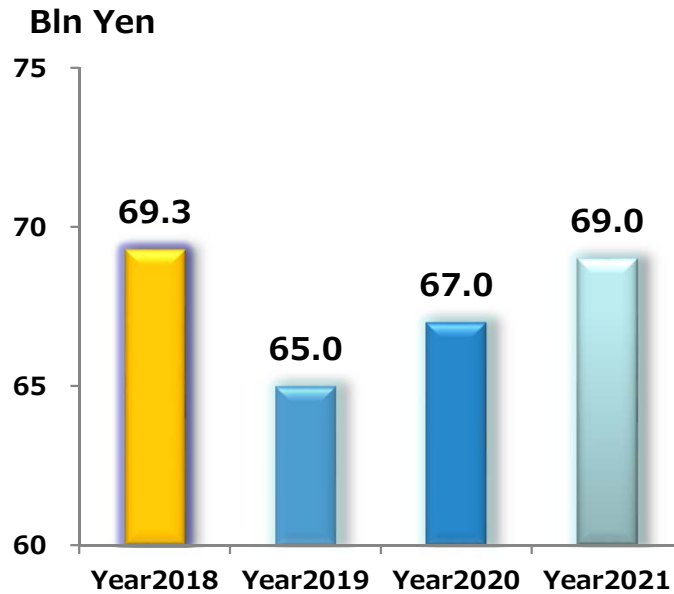
•Maintenance:

- Strengthening profitability through sophisticated maintenance technologies with digital technologies

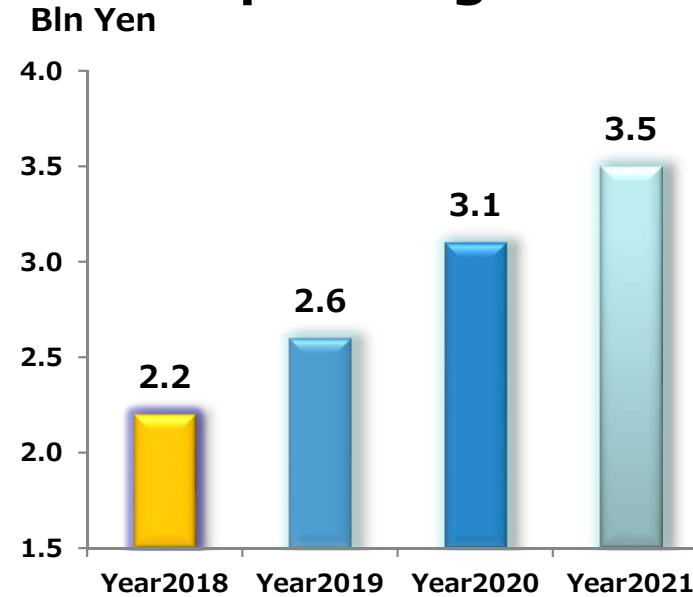
2-4. Key Objective 1

East Asia

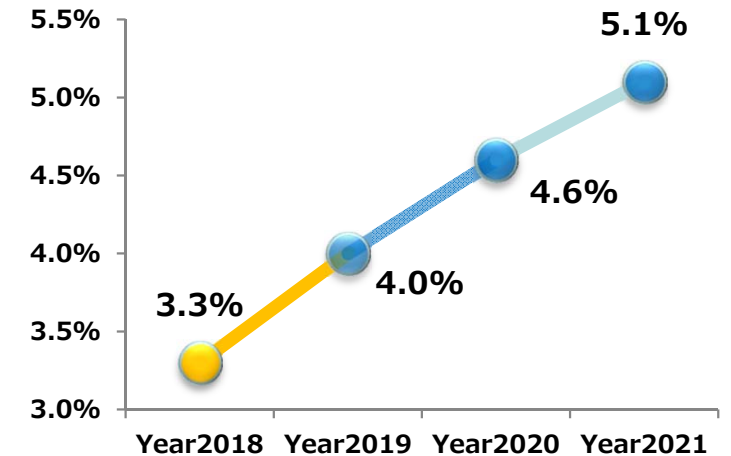
Net Sales



Operating Income



Operating Income Margin



•China:

- Simultaneous pursuit of larger market share and higher profitability of installation based on further enhancement of price competitiveness

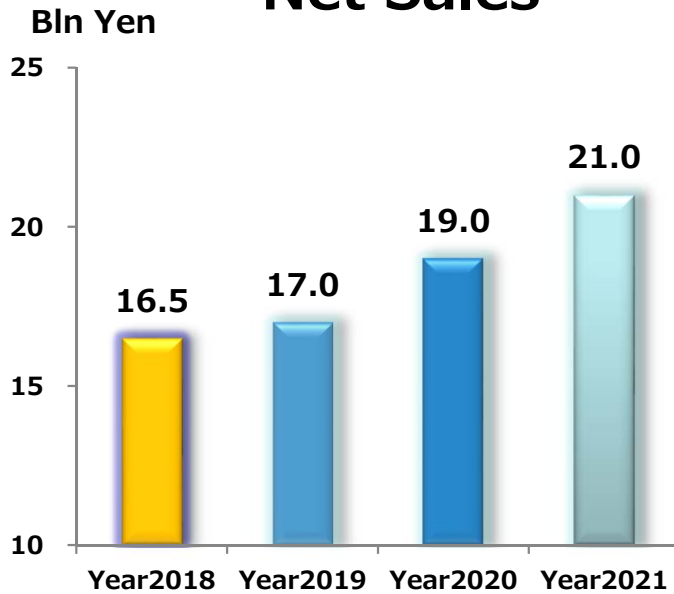
•Hong Kong, Taiwan and Korea:

- Concentrating on After-market Business, mainly modernization

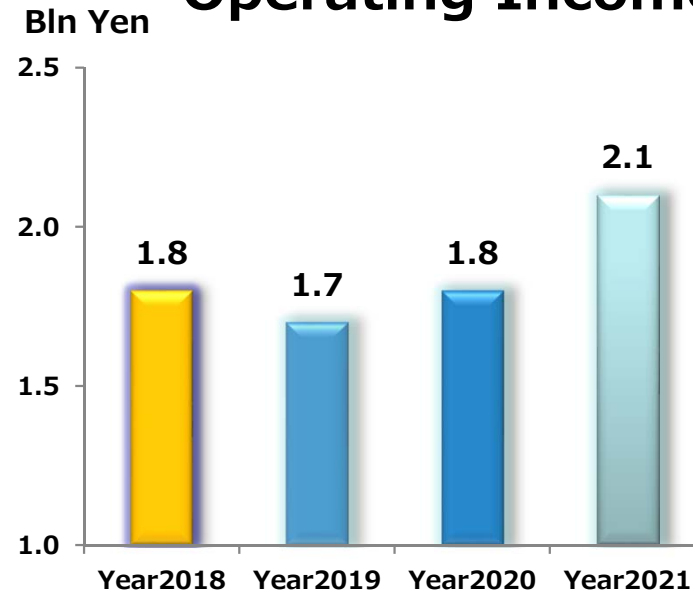
2-4. Key Objective 1

South Asia

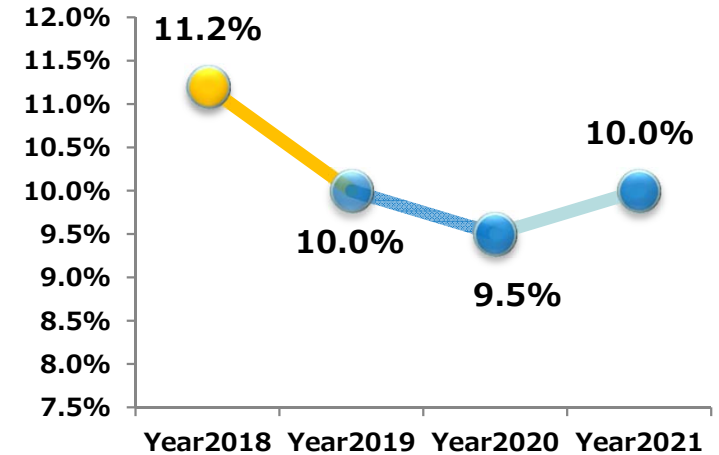
Net Sales



Operating Income



Operating Income Margin



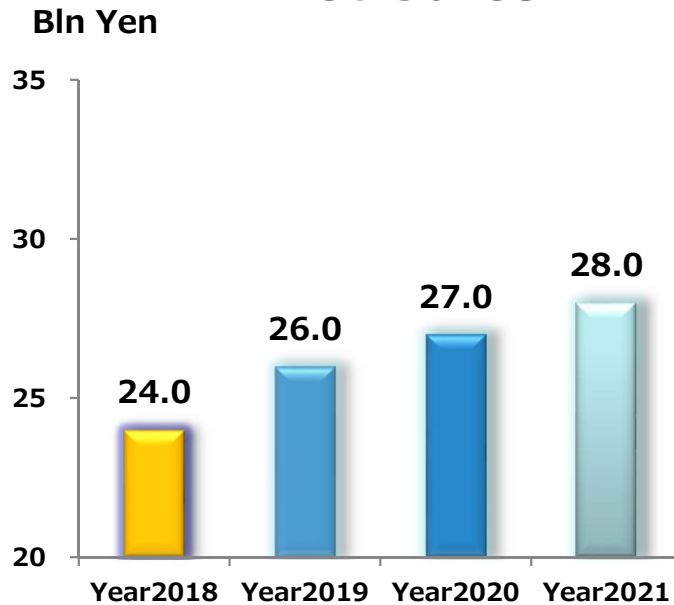
• ASEAN region, India and Mekong basin:

- Continuous devotion to management of resources
- Continuous growth by reinforcement of efficient supply chain management and the products supply system, with a focus on India
- Expansion of exports from India (strengthening of supply chain mainly in this area)
- Further enhancement of quality of services by advancing the training function in Singapore

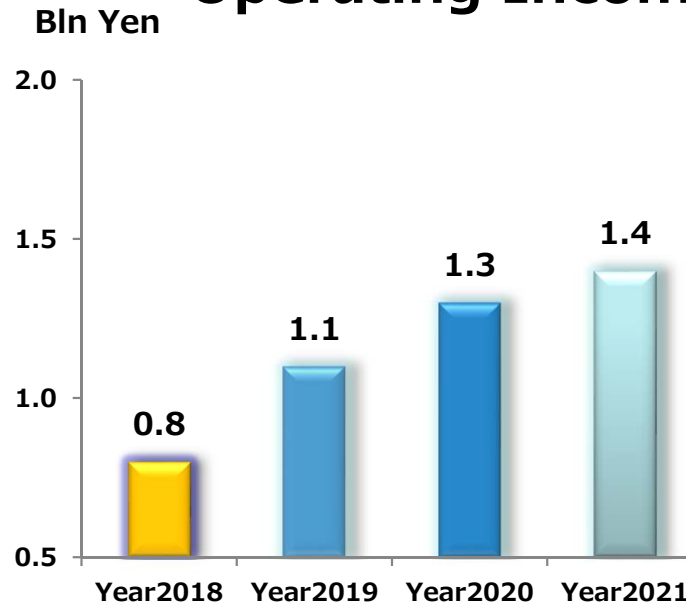
2-4. Key Objective 1

North America & Europe

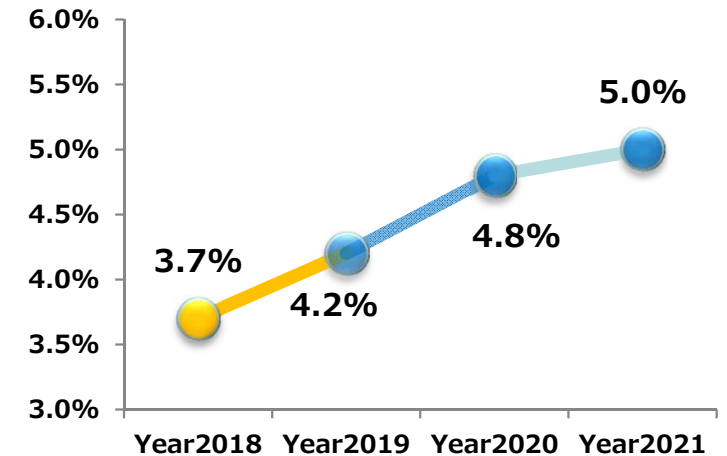
Net Sales



Operating Income



Operating Income Margin



• North America:

- Increasing the market share through installation and modernization
- Improving profitability by reinforcing competitiveness of maintenance activities

• Europe:

- Constructing revenue base in UK, focusing on installation and modernization

2-5. Key Objective 2

- Enhancement of competitiveness of our products and efficiency of the development process
- Creation of added value by development of our advanced technologies

Elevator

Escalator

**Commercialization
New Technology**

High Speed, high-spec
ride quality, design,
safety and reliability

Safety and convenience
(Detection system, etc.)

**Extension
Cost Saving**

Global Standard Model
Optimal specs based on local needs

Global Standard Model
Improvement in basic design
Standards

Services

Promotion of automatization and efficiency of diagnosis
Menu of maintenance services

**HR
Process**

HR development, integrated management of technologies
Promotion of BPR, process control, global technical supports

2-6. Key Objective 3

- Innovation of manufacturing technologies with automated works and manpower savings
- Construction of optimal framework of production and logistics

Innovation in Manufacturing

Automatization
Manpower Savings

- **Advanced network of production sites, with digital technologies (AI, IoT, etc.)**
- **Integrated QCD base**

Group Optimization

Scale-up
Innovative Logistics

- **Scale-up, Automatization, Manpower Savings**
Quest of efficiency through automatization of manufacturing in Japan
Scale-up of production capacity in Indian factory
- **Functional Improvement of Depos**
Establishment of efficient supply chain management by Tokyo-depo, Osaka-depo
- **Enhancement of Global Procurement**

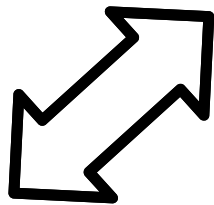
Safety
Reliability

2-7. Key Objective 4

- Optimal allocation of management resources
- Capital cost conscious management

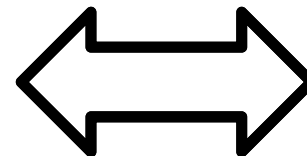
Enhancement of quality of management

- Ensuring transparency of management, based on Corporate Governance Policy
- Further strengthening of corporate governance
- Facilitating further IR activities

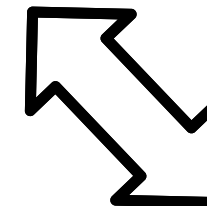


Optimal allocation of management resources

- Business investment, development of human resources
- Pursuing M&A opportunities
- Simultaneous pursuit of rich internal reserve and an increase in shareholders' returns, with the aim of long-lasting stability of corporate management and stakeholders' benefits











Capital-cost-conscious Management



2-7. Key Objective 4

•Management with SDGs approach

Theme	Business	Relation among environment and society
Reinforcement of Corporate Governance	<ul style="list-style-type: none"> •More effective internal control system •More effective risk management system 	<ul style="list-style-type: none"> •Faithful performance of action vision and policy of Fujitec  
Proceeding of digitization of the business	<ul style="list-style-type: none"> •Cooperation, integration and automatization of business •Automitization of services and optimization of QCD by AI、IoT, etc 	<ul style="list-style-type: none"> •Development of social infrastructure •Reform of working practices via process reengineering  
Reduction of environmental burdens	<ul style="list-style-type: none"> •Adoption of EN Code •Driving forward of Maintenance and Modernization •Improvements of logistics 	<ul style="list-style-type: none"> •Conformity of high-spec environmental regulations •Energy saving by using current technologies •Reduction of environmental burdens by a decrease in service repair actions and improvements in logistics  
Human resource development	<ul style="list-style-type: none"> •"Experience Centre" •HR development in Tokyo and Singapore, toward enhancement of service qualities 	<ul style="list-style-type: none"> •Development of high-quality social infrastructure through the pursuit of safety and reliability  

3. Fiscal Year 2019 Forecasts

FUJITEC

Innovation, Quality & Speed

New Mid-Term Management Plan FY2019-FY2021

Action Vision

- 1, "Expansion of Fujitec standard model in our products throughout the world and enhancement of our profitability with customers' satisfaction"
- 2, "Reinforcement of our technical platform to enhance corporate growth and value"
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3-1. Forecasts for Fiscal Year 2019

Results for the first year of the mid-term management plan will be on the same level as the previous fiscal year due to the strong yen

(Millions of yen)

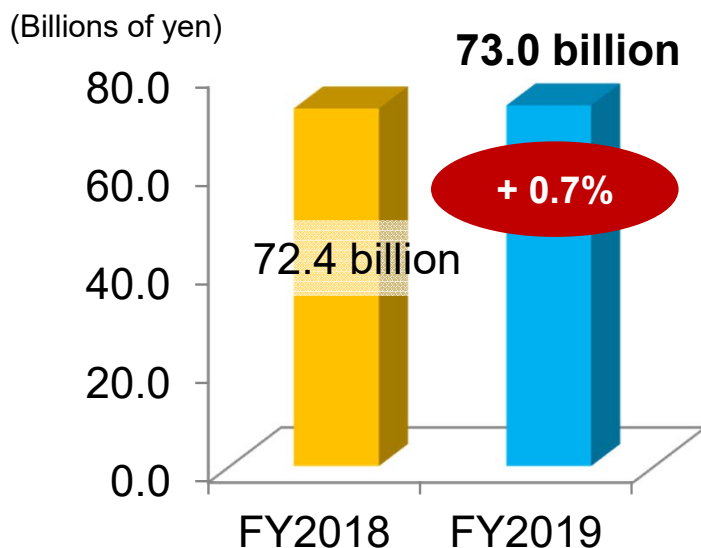
	Net Sales			Operating Income		
	FY2019	FY2018	Change in %	FY2019	FY2018	Change
Japan	73,000	72,485	+ 0.7%	5,200	5,206	- 6
East Asia	65,000	69,308	- 6.2%	2,600	2,269	+ 330
South Asia	17,000	16,572	+ 2.6%	1,700	1,851	- 151
North America & Europe	26,000	24,045	+ 8.1%	1,100	893	+ 206
Total	181,000	182,411	- 0.8%	10,600	10,220	+ 379
Reconciliations	- 10,000	- 11,652	-	- 200	92	- 292
Consolidated	171,000	170,759	+ 0.1%	10,400	10,313	+ 86

Average Exchange Rate : FY2019 1US\$=¥105, FY2018 1US\$=¥110

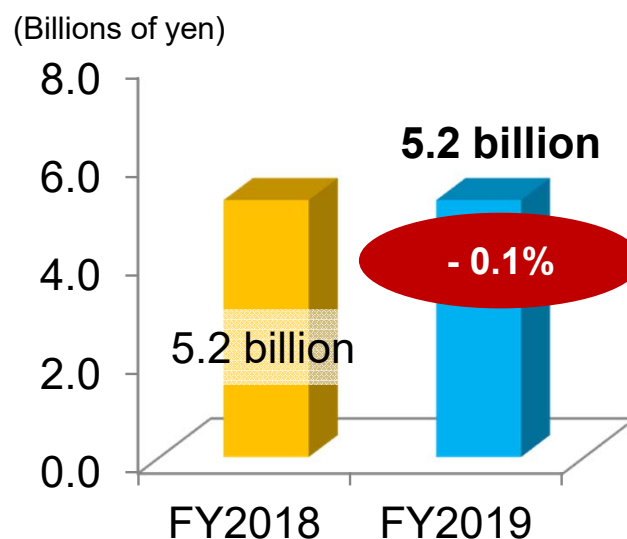
3-2. Forecasts by Segment (Japan)

Net sale will increase and operating income will remain flat year-on-year

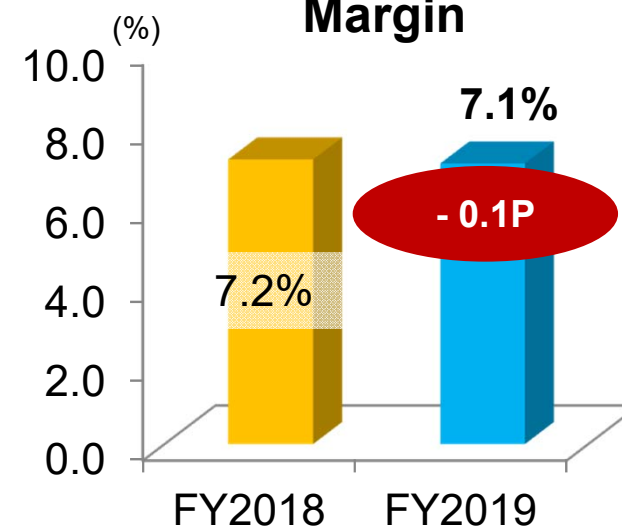
Net Sales



Operating Income



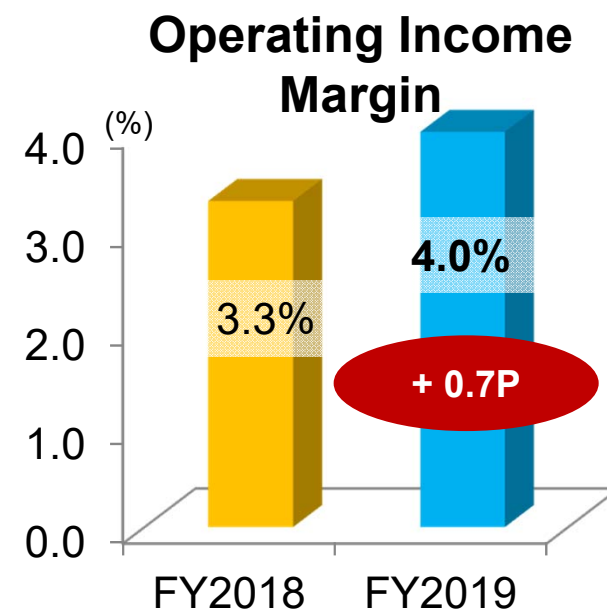
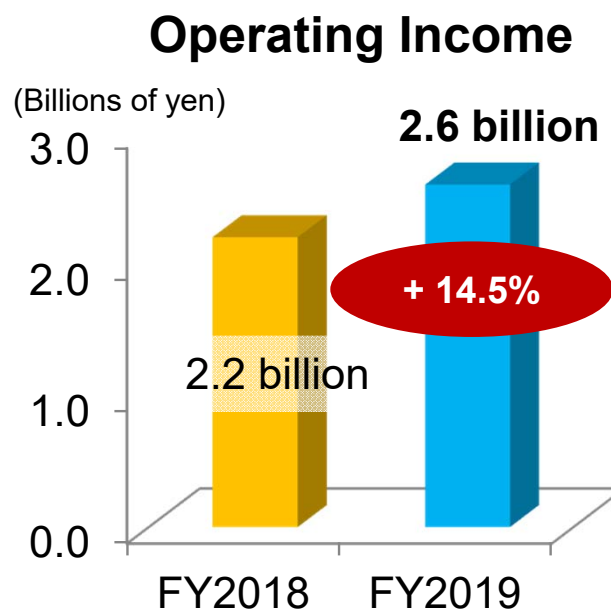
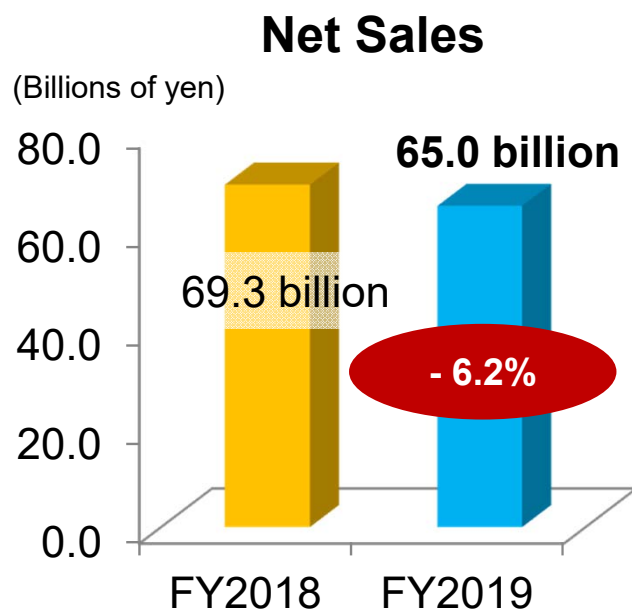
Operating Income Margin



- Demand trends will be steadily, mainly in the Tokyo metropolitan area
- Net sales in New Installation Business and After-market Business will increase
- Investment for digital technologies in Maintenance Business
Operating income will remain flat year-on-year

3-2. Forecasts by Segment (East Asia)

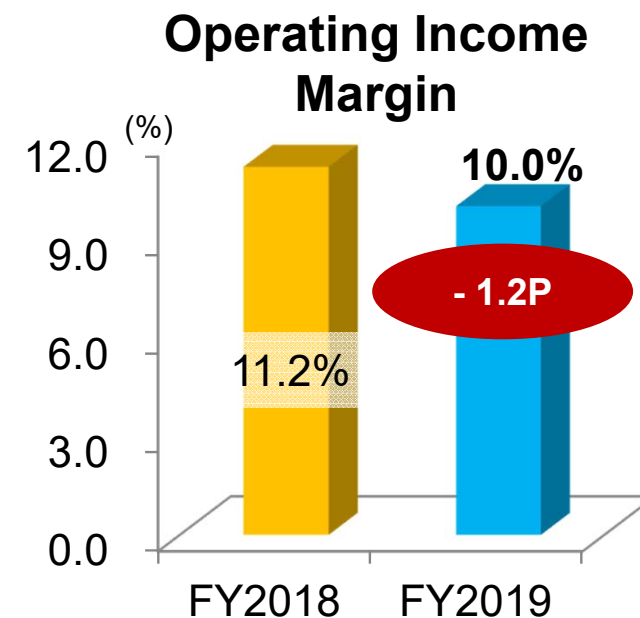
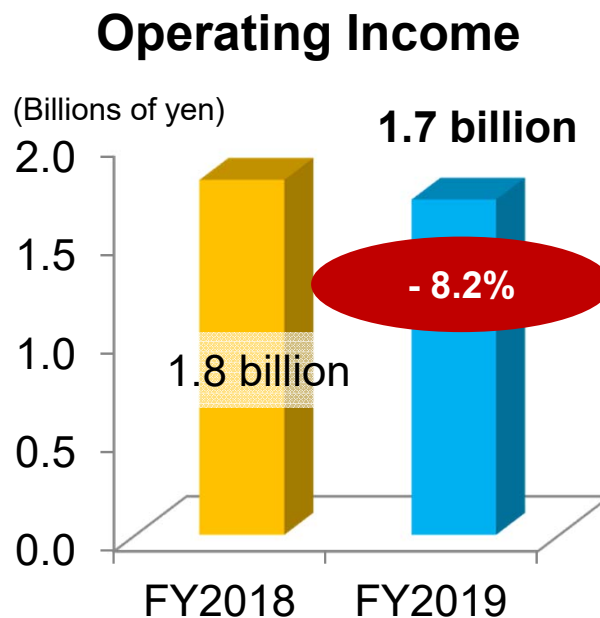
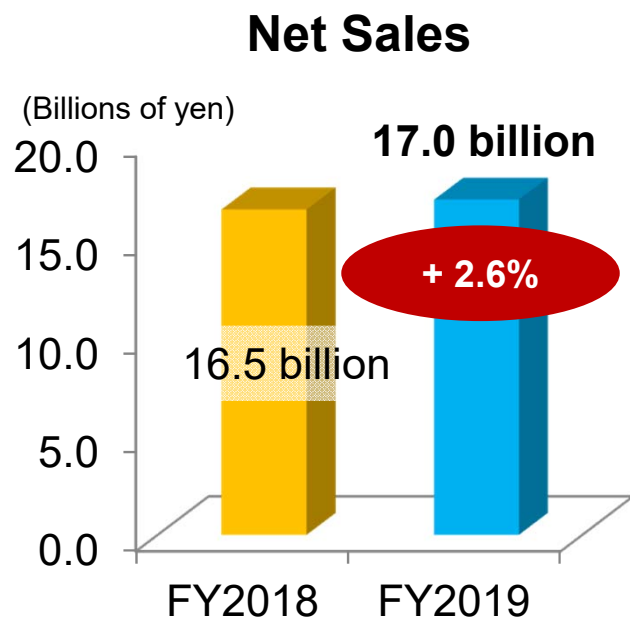
Net sales will decrease due to a slump in China and operating income will improve



- Aim to increase in order received in China despite continuous price competition
- Net sales will decrease due to decreased orders in China in the previous period
- Profit in China will maintain the same level as the previous fiscal year, the profit margin in Korea will improve and Hong Kong and Taiwan will remain stable

3-2. Forecasts by Segment (South Asia)

Net sales will increase, driven by India, and operating income will decrease in Singapore

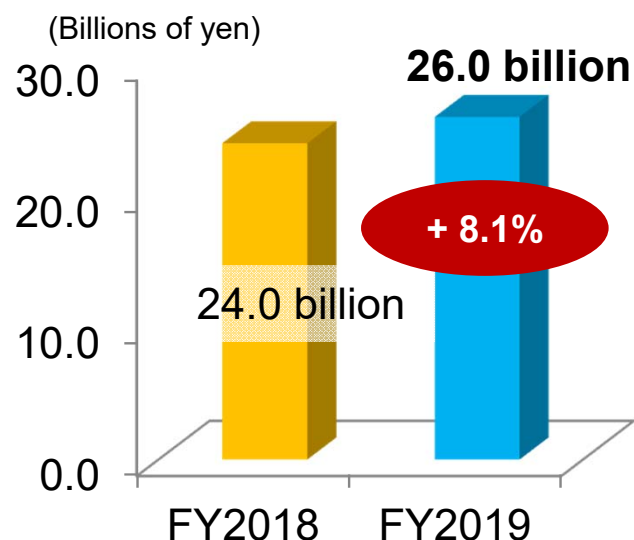


- Net sales in Singapore will decrease and operating income will decrease due to increased labor costs
- Net sales in India will increase significantly due to the expansion of orders received, and operating income will also improve
- Malaysia and Indonesia will trend steadily

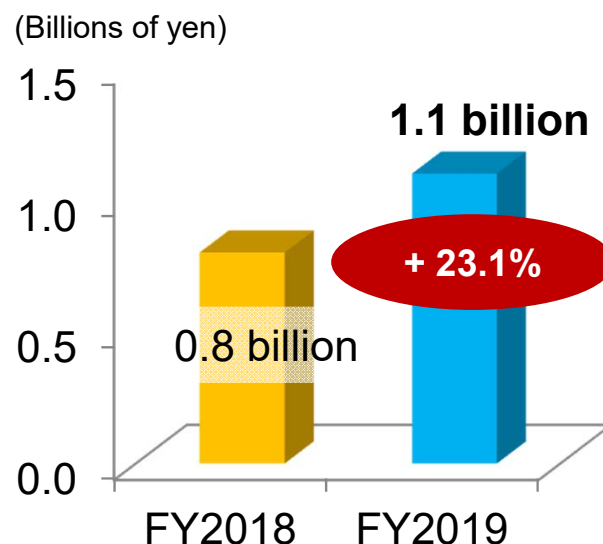
3-2. Forecasts by Segment (North America & Europe) **FUJITEC**

Net sales and operating income will increase

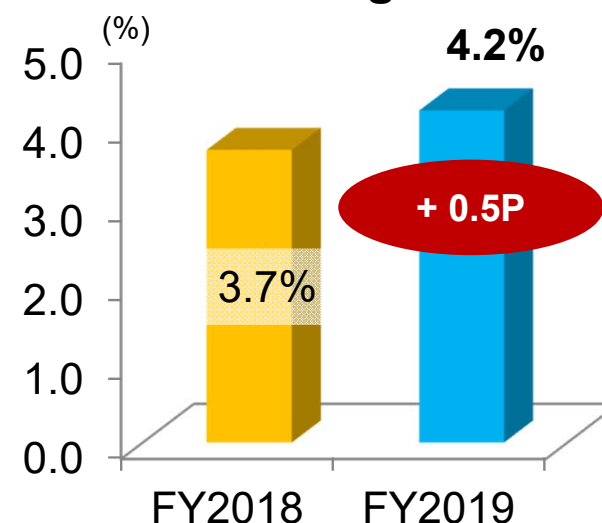
Net Sales



Operating Income



Operating Income Margin



- In North America, net sales and operating income in the USA and Canada will increase
- In Europe, the United Kingdom will target breaking-even in operating income

3-3. Others

Capital Investment, Depreciation, R&D Expenses and Dividends

(Millions of yen)

	FY2019	FY2018	Change
Capital Investment	4,600	2,912	+ 1,688
Domestic	3,000	2,160	+ 840
Overseas	1,600	752	+ 848
Depreciation	2,900	3,055	- 155
R&D Expenses	2,400	2,425	- 25

(Yen)

	FY2019	FY2018	Change
Dividends	45	45	-
Interim	20	20	-
Year-end	25	25	-

Reference Information

1. Consolidated Balance Sheet

FUJITEC

(Millions of Yen)

	Mar. 31, 2019	Mar. 31, 2018	Change	Remarks
Current Assets	131,181	127,530	+ 3,650	
Cash and Cash Equivalents	52,244	49,856	+ 2,387	Increased in Japan, South Asia and North America
Trade Notes and Accounts Receivable	54,680	53,411	+ 1,268	Increased in Japan and East Asia
Inventories	21,292	21,864	- 572	
Others	5,003	4,500	+ 503	
Allowance for doubtful Accounts	- 2,039	- 2,102	+ 63	
Fixed Assets	53,508	54,972	- 1,464	
Property, Plant and Equipment	33,948	34,388	- 440	Capital investment: +2,721, Depreciation: -2,771, Foreign exchange, etc.: -390
Intangible Assets	3,874	4,029	- 155	
Investments and Other Assets	15,684	16,553	- 868	Decreased in unrealized losses on securities due to stock price down: -1,423, : Proceed: -346
Total Assets	184,690	182,503	+ 2,186	
Current Liabilities	66,241	66,821	- 580	
Non-current Liabilities	4,525	3,859	+ 666	
Net Assets	113,923	111,822	+ 2,100	Retained earnings: +1,705, Treasury Stock: +4,452, Net unrealized gains on securities: -1,015, Foreign currency translation adjustments: -2,718
Shareholders' Equity Ratio	55.7%	55.0%	+ 0.7P	
BPS	¥1,271.28	¥1,243.46	+ ¥27.82	

2. Cash Flows

(Millions of yen)

	FY2018	FY2017	Change
Cash and Cash Equivalents at Beginning of the Fiscal Year	24,043	20,910	+ 3,133
Cash Flows from Operating Activities	9,589	11,870	- 2,281
Cash Flows from Investing Activities	- 2,160	- 5,345	+ 3,185
Free Cash Flows	7,428	6,525	+ 903
Cash Flows from Financing Activities	- 4,198	- 3,858	- 340
Cash and Cash Equivalents at End of the Fiscal Year	25,902	24,043	+ 1,858

3. Recent Major Orders Received & Projects Completed **FUJITEC**



Order Received

Expansion of Vancouver International Airport (British Columbia, Canada)
Elevator, escalator and moving walk: 22 units



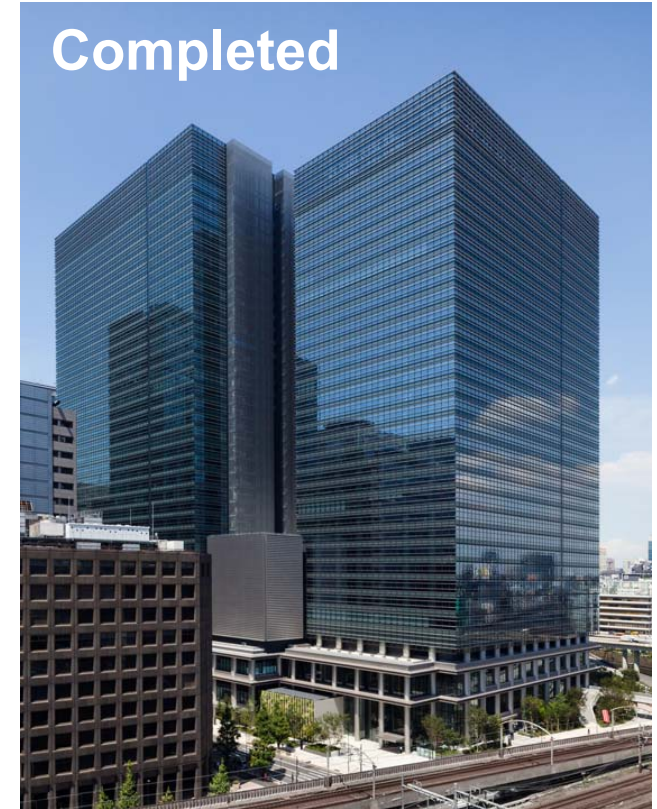
Order Received

AEON MALL Hai Phong Le Chan (Hai Phong, Vietnam)
Elevator, escalator and moving walk: 58 units



Completed

One West End (New York, USA)
Elevator: 15 units



Completed

Otemachi PLACE (Tokyo, Japan)
Elevator and escalator: 63 units

4. Corporate Profile (as of March 31, 2019)



Corporate Name	Fujitec Co., Ltd.
Established	Feb 1948 (Listed Feb 1974 on TSE1)
Head Office	Hikone, Shiga (Big Wing)
Business	R&D, manufacturing, marketing, installation and maintenance of elevators and escalators
Paid-in Capital	12,533 million yen (shares issued: 90,067,000)
Directors	President & CEO, Takakazu Uchiyama 7 directors (including 3 outside directors) 4 audit & supervisory board members (including 3 outside audit & supervisory board members)
Employees	Consolidated 10,105 (non-consolidated 2,982)
Group companies	33 companies (including 18 consolidated subsidiaries) (North and South America, East and South Asia, Europe/Middle East)

This presentation was prepared to provide information on the company's Fiscal Year Ended March 31, 2019 results and medium-term business plan. The purpose of these materials is not to solicit investments in the company's stock or other securities. All information in this presentation is based on data currently available as of May 24, 2019. The company makes no guarantees regarding the accuracy or completeness of this information and retains the right to revise this information at any time with no prior notification.

May 24, 2019

FUJITEC

**Fiscal Year Ended March 31, 2019
Financial Result Presentation**

