



Annual Report 2015

Year ended
March 31, 2015



Creating Sophisticated Cities together with People around the World

Fujitec is a specialized manufacturer that engages in comprehensive operations from development to manufacturing, sales, installation and maintenance of elevators, escalators, moving walks and other transportation systems.

Based on the global mission statement “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,” Fujitec provides products and services trusted by users all over the world through our global network spanning from Japan to East Asia, South Asia, North and South America, Europe and the Middle East.



AEON MALL Tan Phu Celadon (Vietnam)



Millennium Mitsui Garden Hotel Tokyo (Japan)



Eton Place Shenyang (China)



Toranomon Hills (Japan)



Quality

Establishing an integrated quality management structure spanning from development and design to installation and maintenance, Fujitec is highly regarded around the world.

Global

One of the first in the industry to seek global business development, Fujitec operates businesses in 24 countries and regions.

Specialist

As a specialized manufacturer of transportation systems, Fujitec produces various products that go one step ahead of the times.

Fujitec's 4 Strengths

Technology

Based on long-accumulated technologies and know-how, Fujitec pursues safety, reliability and comfort.

Forward-Looking Statements

This annual report contains forecasts and projections concerning the plans, strategies and performance of Fujitec Co., Ltd. and its consolidated subsidiaries. These forecasts and projections constitute forward-looking statements that are not historical facts, but are based on assumptions and beliefs in accordance with data currently available to management. These forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and include, but are not limited to, factors, fluctuations, uncertainty of economic conditions, competition in the construction industry, demand, foreign exchange rates, tax systems and laws and regulations. In conclusion, Fujitec wants to caution readers that actual results may differ materially from those projected.

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Fujitec Overview

Full-Line Producer

Fujitec is a specialized manufacturer of transportation systems. We are a full-line producer of safe and reliable elevators and escalators through an integrated structure covering all aspects from development and design to sales, manufacturing, installation, maintenance and modernization.



● New Installation (Design to Installation)

Fujitec's products are highly renowned around the world for their high quality. The reason for this is because we have established a thoroughgoing quality control structure not only in the production processes but also in the development, design and installation stages. By providing high-precision products and pursuing quality innovation, we have gained trust and support from customers all over the world.



● Maintenance

Fujitec is seeking more advanced maintenance technologies and innovation in safety systems. At the same time, we operate a nationwide network of Service Centers for maintenance, the Parts Supply Center that manages an enormous amount of parts in real time and Safenet Centers that provide remote monitoring 24 hours a day, 365 days a year. Together, these centers work closely to ensure our elevators and escalators are always safe and reliable for users.



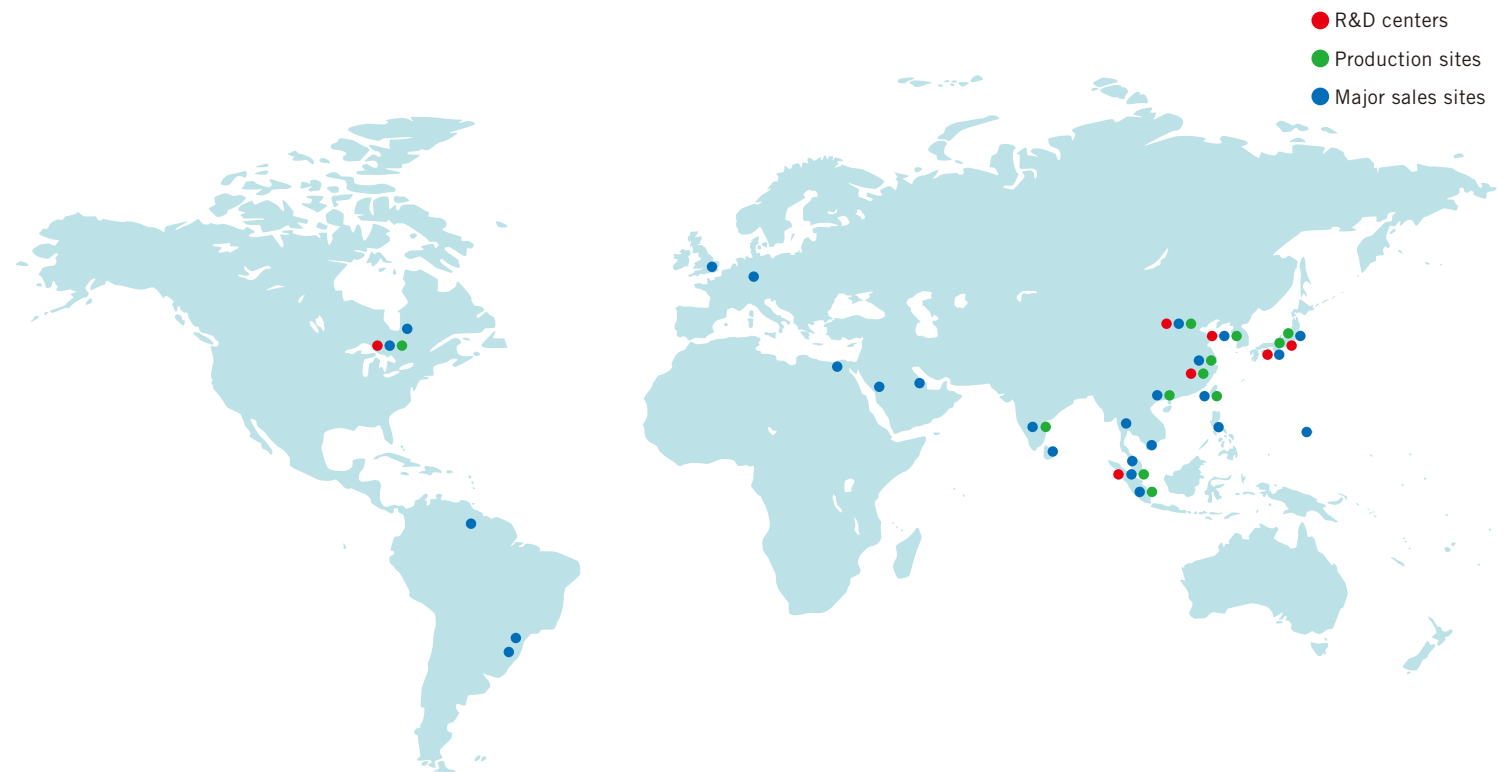
● Modernization

After 20 to 25 years of service, elevators and escalators need to be modernized. Fujitec's sophisticated modernization technologies enhance safety and comfort. As an example, we offer safety enhancement packages that consist of the three functions of Unintended Car Movement Protection (UCMP) system; earthquake control operation that prevents passengers from being trapped in the elevator in the event of earthquakes and power outages; and seismic reinforcement in the hoistway.



Global Supply Chain

Fujitec was among the first in the industry to make inroads into the global market, beginning with Hong Kong in the 1960s. Since then, we have been pursuing business development around the world. At present, we have group bases of operations in 24 countries and regions worldwide and have established a global supply chain. These group bases of operations mutually collaborate and engage in business activities finely tuned to respective regions, quickly and flexibly responding to local market needs.



Head Office Big Wing (Japan)



Huasheng Fujitec Elevator Co., Ltd. (China)



Shanghai Fujitec City (China)



Fujitec Korea Co., Ltd. (Korea)



Fujitec India Private Ltd. (India)

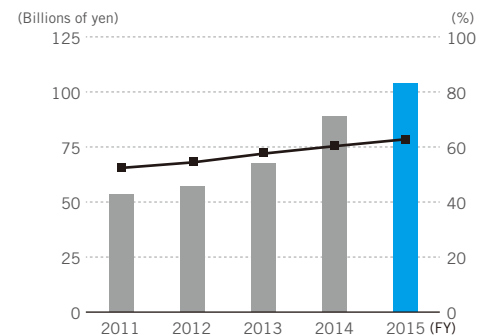


Fujitec America, Inc. (U.S.A.)

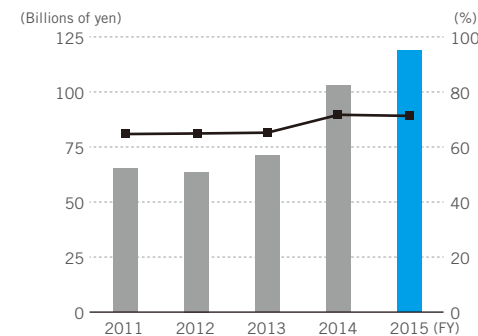
Overseas Sales Ratio of 62.8%

Transportation systems such as elevators and escalators are becoming prominent as a feature of social infrastructure essential for urban build-up. In addition to developed countries, there is particularly strong demand for new installations in emerging countries. Quickly responding to such global needs, Fujitec engages in proactive global business development.

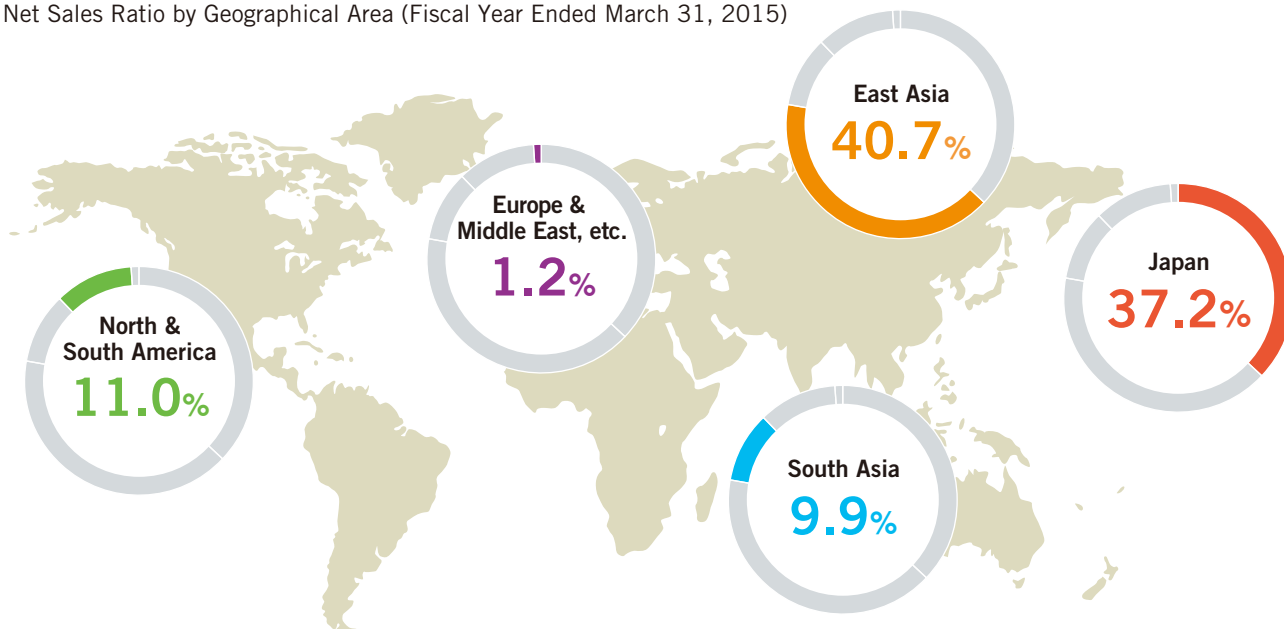
● Overseas Sales / Overseas Sales Ratio



● Overseas Order Backlogs / Overseas Order Backlog Ratio



● Net Sales Ratio by Geographical Area (Fiscal Year Ended March 31, 2015)



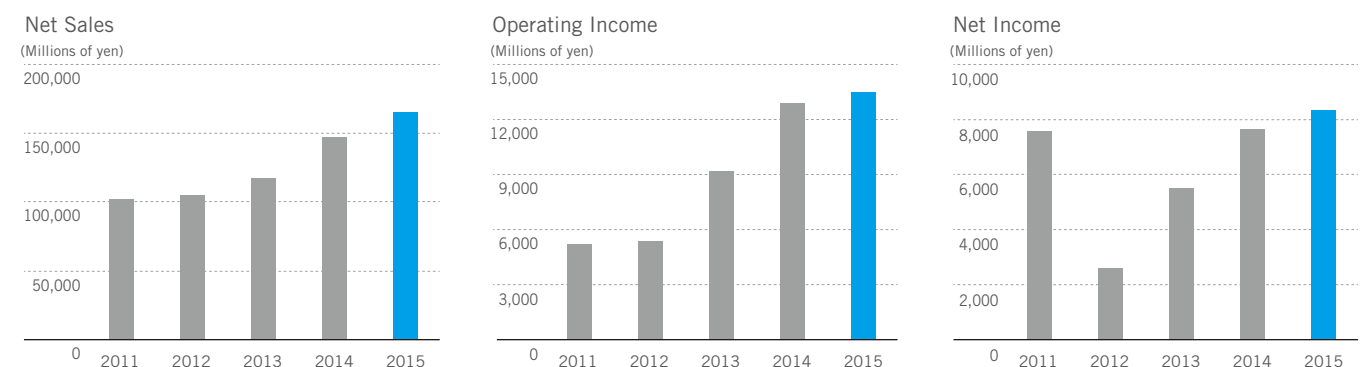
Financial Highlights

Fiscal years ended March 31

	2011	2012	2013	2014	2015	2015
					Millions of yen	Thousands of U.S. dollars
Net sales	¥102,053	¥105,061	¥117,468	¥147,054	¥165,297	\$1,377,475
Domestic sales	48,569	47,948	49,805	58,338	61,508	512,567
Overseas sales	53,484	57,113	67,663	88,716	103,789	864,908
Operating income	5,221	5,363	9,172	12,871	13,488	112,400
Net income	7,569	2,607	5,507	7,664	8,356	69,633
Comprehensive income	4,764	2,206	12,043	19,450	19,343	161,192
R&D expenses	1,841	1,971	1,930	1,976	2,023	16,858
Capital investment	1,665	1,354	1,614	1,867	4,071	33,925
Depreciation and amortization	2,254	2,204	2,083	2,237	2,373	19,775
Acquisition of property, plant and equipment	2,914	1,338	1,544	2,007	3,867	32,225
Total assets	104,817	107,213	122,643	154,265	179,856	1,498,800
Net assets	67,161	67,915	78,272	93,501	104,620	871,833
Cash flows from operating activities	9,157	9,685	7,913	9,294	10,753	89,608
Cash flows from investing activities	(2,630)	(3,952)	(232)	(2,655)	(619)	(5,158)
Cash flows from financing activities	(5,672)	(4,179)	(3,048)	(3,823)	(3,225)	(26,875)
Cash and cash equivalents at end of year	8,224	9,718	15,519	20,903	30,602	255,017
Net income per share (exact yen/dollars)	80.89	27.86	58.87	82.32	90.84	0.76
Diluted net income per share (exact yen/dollars)	—	—	—	82.31	90.79	0.76
Net assets per share (exact yen/dollars)	671.24	674.78	768.64	912.40	1,074.82	8.96
Cash dividends per share (exact yen/dollars)	12.00	12.00	16.00	22.00	24.00	0.20
Shareholders' equity ratio (%)	59.9	58.9	58.6	54.8	51.9	—
Return on shareholders' equity (%)	12.4	4.1	8.2	9.8	9.4	—
Order backlogs	100,713	97,996	108,972	143,881	166,745	1,389,542
Domestic	35,525	34,391	37,896	40,692	47,779	398,158
Overseas	65,188	63,605	71,076	103,189	118,966	991,384

(Notes) 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥120 to US\$1.00, which was the exchange rate on March 31, 2015.
 2. During the fiscal year ended March 31, 2011, the accounts of Fujitec Holdings Sdn. Bhd. (Malaysia) were newly included in the consolidation.
 3. During the fiscal year ended March 31, 2011, the accounts of Fujitec Vietnam Co., Ltd. and Fujitec, Inc. (Philippines) were removed from the consolidation.
 4. During the fiscal year ended March 31, 2012, the accounts of Fujitec (Thailand) Co., Ltd. were newly included in the consolidation.
 5. During the fiscal year ended March 31, 2015, the accounts of Fujitec M&E Sdn. Bhd. were newly included in the consolidation.
 6. Net income per share amounts are computed based on the weighted average number of shares outstanding during each fiscal year. Net assets per share amounts are computed based on the number of shares outstanding at each fiscal year-end.
 7. Diluted net income per share is not recorded for the fiscal years ended March 31, 2011, 2012 and 2013 because there were no dilutive shares during those fiscal years.

● Five-Year Performance (Fiscal Years Ended March 31)



To Our Shareholders and Investors

Net Sales, Operating Income and Ordinary Income Reach Record Highs for the Third Consecutive Year



Takakazu Uchiyama
President and Chief Executive Officer

Solid Results Mainly in Japan and East Asia

The elevator and escalator industry witnessed continued moderate growth in sales in China for the fiscal year ended March 31, 2015. Sales were also firm in other parts of Asia as well as in North America. In Japan, despite lower sales to multi-unit dwellings, sales to retail facilities, offices and hotels were brisk.

Under these conditions, in Fujitec's new installation business in Japan, sales of standard elevators, mainly for multi-unit dwellings, remained on par with the previous fiscal year. On the other hand, Fujitec continued to post favorable results in the new installation business due mainly to a growth in sales of custom-made elevators and escalators for large-scale development projects in the Tokyo metropolitan area. In the modernization business that involves the renewal of existing elevators and escalators, Fujitec achieved an increase in business for the renewal of custom-made elevators, also primarily in the Tokyo metropolitan area. Moreover, we posted smooth growth in sales of safety enhancement packages that respond to the amendment of the Building Standards Act in April 2014. In overseas business, we continued to achieve solid results driven mainly by increases in East Asia and South Asia.

Domestic Sales Increase 5.4% and Overseas Sales Rise 17.0%

Reflecting these factors, net sales increased 12.4% year over year to ¥165,297 million, with domestic sales of ¥61,508 million, up 5.4%, and overseas sales of ¥103,789 million, up 17.0%. As a result, the overseas sales ratio reached an all-time high of 62.8%.

At the profit level, thanks to an improvement in profitability in both the new installation and modernization businesses in Japan as well as to increased profits in East Asia, operating income rose 4.8% year over year to ¥13,488 million, ordinary income edged up 4.5% to ¥14,826 million and net income increased 9.0% to ¥8,356 million. As a result of these developments, net sales, operating income and ordinary income reached record highs for the third consecutive year.

Aiming for Net Sales of ¥175,000 Million and Operating Income of ¥15,000 Million

Looking at the elevator and escalator market in the fiscal year ending March 31, 2016, we forecast favorable results both in Japan and overseas.

In China, the world's largest market for elevators and

escalators, demand for newly installed elevators is estimated to be 600,000 units annually, accounting for 70% of global demand. Amid ongoing sluggishness in real estate investment in the country, there is the perception that conditions in the housing market have bottomed out; therefore, demand for elevators and escalators is expected to continue expanding moderately. In other regions of Asia and the United States, demand is expected to remain solid. In Japan, despite a shortage of labor and a rise in import material expenses caused by the weakening of the yen, Fujitec expects to achieve favorable results on the back of robust demand fueled by a recovery in sales of multi-unit dwellings and the upgrading of infrastructure for the upcoming Tokyo Olympics.

As a result of these factors, for the fiscal year ending March 31, 2016, which marks the final year of our three-year Mid-Term Management Plan "Grow Together! Yes, Fujitec Can," we are projecting net sales of ¥175,000 million, up 5.9% year over year; operating income of ¥15,000 million, up 11.2%; and net income of ¥9,000 million, up 7.7%.

Our Mid-Term Management Plan has been progressing smoothly. We even made an upward revision to our targets midway through the plan, which reflected favorable results in Japan and East Asia. During the plan's final fiscal year, we will focus on capturing new installation business in Japan and East Asia, where brisk demand is continuing, and make company-wide efforts to attain the objectives of this plan.

Raising Our Presence in Global Markets

To achieve the goals of our plan, we aim to expand market share in all our markets and raise our presence in global markets.

Overseas, we will continue to position China as our most important market and allocate management resources in that country. In Hong Kong, Taiwan, Korea, Singapore, North America and Europe, we will focus efforts on the modernization business, while in India we will raise our product supply capabilities to better respond to market demand.

In Japan, we aim to increase market share in new installations while continuing to actively undertake the modernization business in the after-sales service market, where brisk demand is forecast.

Strengthening Product Supply Capabilities and Cost Competitiveness

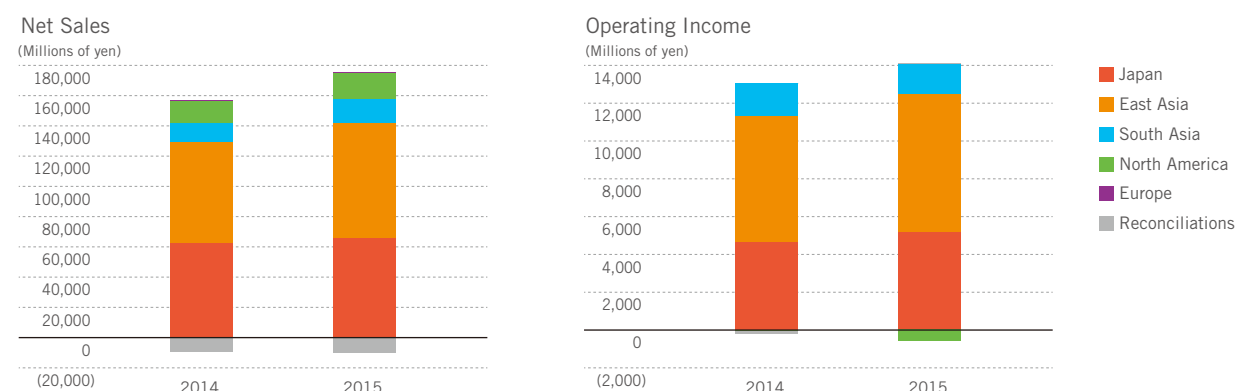
Regarding our product strategy, we intend to accelerate our efforts in raising product supply capabilities and strengthening cost competitiveness as a full-line producer that offers an array of highly market competitive products, ranging from ultra-high-speed elevators to standard elevators and custom-made elevators.

As specific measures, we will review the design of sub-optimized products and components matched to each market segment and promote standardization from the

Business Results (Fiscal Years Ended March 31)

	2014	2015	Increase (%)
Net sales	147,054	165,297	12.4
Domestic	58,338	61,508	5.4
Overseas	88,716	103,789	17.0
Operating income	12,871	13,488	4.8
Ordinary income	14,187	14,826	4.5
Net income	7,664	8,356	9.0

Performance by Segment (Fiscal Years Ended March 31)





Shanghai Fujitec City, our development and production base in China

perspective of realizing total optimization. Moreover, we will reorganize our product lineup by combining modules that maximize the benefits of large-scale procurement. Also, we will accelerate the restructuring of production in Asia, including Japan, and promote reforms for realizing a strong and optimal global supply chain among production bases in Japan, China, Korea, India and the United States.

Assuring Safety and Developing Global Human Resources

We place top priority on safety and security as well as improving quality. As such, we will maintain efforts to earn the trust of our customers and meet their expectations. To do so, we will further raise our field service techniques that include the installation and

maintenance of elevators and escalators and make thoroughgoing efforts to ensure safety. Concurrently, we will keep a close eye on the market environment in each segment and adapt our quality assurance structure on a global basis. We will also strive to offer even more eco-friendly products to promote environmental protection.

Regarding the development of global human resources, we will allocate human resources in accordance with our business strategy for the rapidly growing Asian market. At the same time, we will upgrade our educational training curriculum as we accelerate our systematic development of global human resources. For internal control initiatives, we intend to strengthen our global risk management system by carrying out internal control activities on a company-wide level.

Return of Profits to Shareholders as the Top Priority Management Issue

With regard to profit distribution, our basic policy for paying dividends is to regard enhancement of the return of profit to our shareholders as our top management priority, while at the same time, we balance the need to retain internal reserves to ensure the long-term stability of the company's foundation.

We will continue to allocate internal reserves effectively for activities that raise our corporate value, for example, making capital investments in growth fields, funding investments and

financing for our global business expansion and investing in R&D. Fujitec also executes repurchases of treasury stock. The company repurchased 6,000 thousand shares for ¥6,894 million on February 13, 2015 and 6,491 thousand shares for ¥7,666 million on April 9, 2015.

The company paid year-end cash dividends per share of ¥12. Together with interim cash dividends per share of ¥12, total dividends per share for the fiscal year ended March 31, 2015 therefore amounted to ¥24.

For the fiscal year ending March 31, 2016, we plan to pay interim and year-end cash dividends per share of ¥15, respectively, amounting to total dividends per share of ¥30 for

the fiscal year.

Looking ahead, we aim to achieve business results exceeding those recorded in the fiscal year ended March 31, 2015 and will undertake efforts to further raise corporate value. I hope our shareholders and investors will continue to give us support going forward.

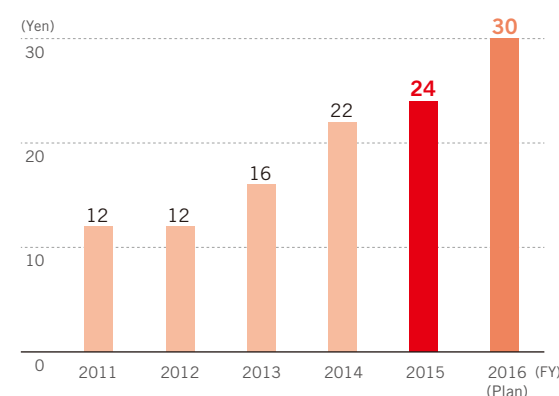
June 23, 2015

Takakazu Uchiyama
President and Chief Executive Officer

● Targets by Segment for Fiscal Year Ending March 31, 2016

	(Millions of yen)		
	Net Sales	Operating Income	Operating Margin (%)
Japan	69,000	5,400	7.8
East Asia	85,000	8,200	9.6
South Asia	16,000	1,700	10.6
North America	18,000	0	—
Europe	800	0	—
Total	188,800	15,300	8.1
Reconciliations	(13,800)	(300)	—
Consolidated	175,000	15,000	8.6

● Annual Dividends



Grow Together!

Yes, Fujitec Can

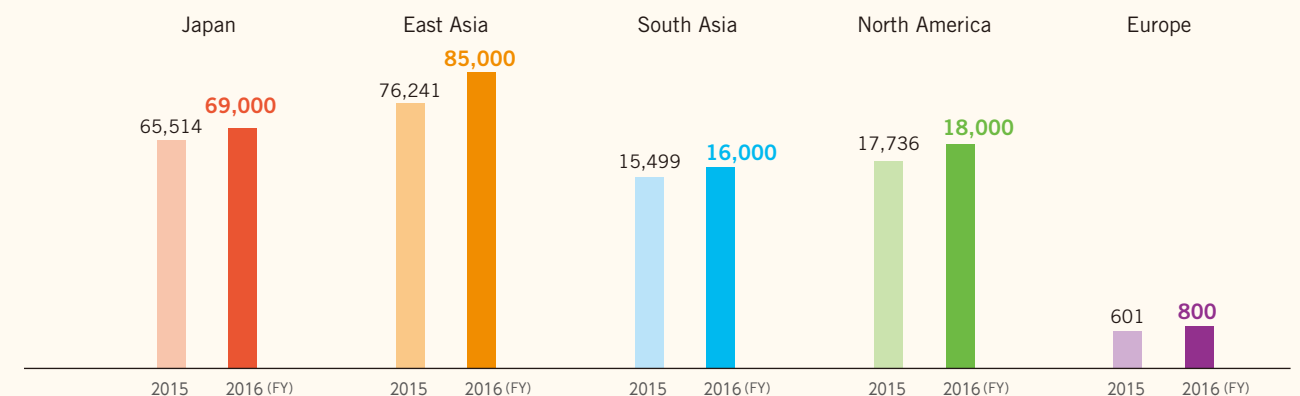
Mid-Term Management Plan (FY2013-FY2015)

Key Objectives

- Enhance Fujitec's ability to supply products and be cost competitive as a full-line producer in the global market
- Accelerate Fujitec's production reorganization in the Asia region, including Japan, to revamp its global supply chain
- Place the highest priority on safety and quality to continue to earn Fujitec's customers' trust and meet their expectations
- Upgrade training programs in order to cultivate and improve Fujitec's global collaboration and human resources investment

Fiscal Year Ended March 31, 2015
¥165,297 million

Fiscal Year Ending March 31, 2016
¥175,000 million



Fujitec's Global Operations

Fujitec advanced into overseas markets ahead of other Japanese competitors in the industry. Since then, Fujitec has proactively carried out global activities in numerous countries and regions around the world. Here, we introduce the strategies and the current status of Fujitec's global operations.



A view of Hong Kong (Fujitec (HK) Co., Ltd. marked the 50th anniversary of its establishment.)

Business Phases

Phase 1 Start of Global Development

- 1964 Fujitec (HK) Co., Ltd. established as Fujitec's first overseas base.
- 1972 Fujitec Singapore Corpn. Ltd. established.
- 1974 Fujitec Co., Ltd. was listed on the First Section of the Tokyo Stock Exchange.
- 1977 Fujitec America, Inc. established.
- 1982 World's largest elevator plant constructed in the U.S. state of Ohio.
- 1984 VVVF inverter controller elevator developed.



Elevator production plant in Singapore



Plant of the Ohio Works in the United States

Phase 2 Enhancement of Bases

- 1993 Elevator research tower at the Ohio Plant in the United States completed.
- 1995 Incheon Plant in Korea began operations.
- 1997 Elevator production plant established at Huasheng Fujitec Elevator Co., Ltd. in China.
- 2002 Escalator production plant established at Shanghai Huasheng Fujitec Escalator Co., Ltd. in China.
- 2006 "Big Wing" integrating elevator R&D and production functions in Japan completed.
- 2010 "Big Step," the escalator development and production base in Japan, completed.
- 2010 "Big Fit," the after-sales service base in Japan, completed.
- 2011 Elevator production base in India commenced operations.



Big Step (Japan)



Incheon Plant in Korea commences operations.

Phase 3 Building a Global Supply Chain

- 2013 New Mid-Term Management Plan "Grow Together! Yes, Fujitec Can" started.
- 2014 "Xiangyun Research Tower" completed at Huasheng Fujitec Elevator Co., Ltd. in China.
- 2014 Experiment building of Shanghai R&D Center completed.
- 2014 Renovation of plant of Fujitec Korea Co., Ltd. completed.



Xiangyun Research Tower

Phase 1 Started Global Development

In 1964, Fujitec judged that it could leverage its technologies in Hong Kong, a city of high rises, and established Fujitec (HK) Co., Ltd. It was the first overseas base in the entire Japanese elevator and escalator industry. Since then, we established overseas bases one after the other, including Fujitec Singapore Corpn. Ltd. in 1972 and Fujitec America, Inc. in 1977, pursuing global business development in a number of countries and regions.

Phase 2 Overseas Sales Ratio Exceeded 50%

Since the 1990s, Fujitec has strengthened not only sales bases but also development and production bases and further augmented its global network. In 1997, Huasheng Fujitec Elevator Co., Ltd. was established in China as an elevator production plant, followed in 2002 by Shanghai Huasheng Fujitec Escalator Co., Ltd., an escalator production base in the same country. In 2011, Fujitec India Private Ltd. was established as an elevator production plant. Through such proactive strengthening and expansion of development and production bases, our global business progressively grew, with the overseas sales ratio exceeding 50% in 1999.

Phase 3 Establishment of Global Supply Chain

In recent years, Fujitec has been focusing its efforts on the establishment of a global product supply structure, primarily in the Asia region and especially in China. The Mid-Term Management Plan "Grow Together! Yes, Fujitec Can" launched in 2013 lays out the key objectives of "enhancing Fujitec's ability to supply products as a full-line producer in the global market, "accelerating Fujitec's production reorganization in the Asia region, including Japan" and "revamping its global supply chain mainly in China." Accordingly, we are engaging in proactive business activities for the achievement of these objectives.

Global Operations

In order to quickly and accurately respond to ever-expanding global demand, Fujitec has established group operation bases in 24 countries and regions, engaging in global operations spanning from R&D to sales, procurement, manufacturing, installation, maintenance and modernization.

New research tower at Fujitec Korea Co., Ltd.



Establishment of a Global Production Structure with 12 Bases around the World

Global demand for elevators, escalators and moving walks has been increasing year after year and is forecast to grow further in step with urban development. As this trend unfolds, demand in China is growing sharply, driving an expansion in global demand. At the same time, strong growth is also projected in such emerging country markets as South Asia, including India, as well as Latin America and the Middle East.

In response to this expansion in global demand, Fujitec has

established 12 production bases, building a global production structure that extends from East Asia to South Asia and North America. In October 2014, we further enhanced this global structure with the completion of renovation work at Fujitec Korea Co., Ltd., where we expanded production space. In China, we are pushing ahead with efforts to augment production capabilities for elevators and escalators in phases.



Ensuring Speedy Responses to Market Changes

We believe that undertaking R&D activities overseas is essential for developing products tailored to the needs of markets in each country and for responding speedily to changes in these markets. Moreover, undertaking overseas R&D provides other advantages, such as being able to enhance the efficiency of international specialization and recruit and vitalize outstanding local human resources.

Based on this thinking, Fujitec is proactively enhancing its overseas R&D bases. As key examples of these efforts, in China we

completed the "Xiangyun Research Tower," an elevator research tower, at Huasheng Fujitec Elevator Co., Ltd. in March 2014 as well as an experiment building at the Shanghai R&D Center in July. In Korea, we renovated the plant and completed the "MARUNA81," a new elevator research tower, at Fujitec Korea Co., Ltd. in October 2014. We are confident that the addition of these new facilities will help Fujitec develop higher-performance and higher-quality products and expand our shares in global markets.

Promoting New Global Standard Models

In promoting our products overseas, we supply products that are optimized according to the market size, needs, lifestyle habits, characteristics and standards of each country and region. These products are based on Fujitec's latest safety and comfort technologies, high-efficiency and energy-saving technologies and environmental technologies developed in Japan.

In East Asia, a priority market, we are implementing a product strategy targeting the markets for both highly functional products and standard products utilizing Japan, Korea and China as development bases for each respective market. In November 2014, we introduced ZEXIA in the Chinese market as a new standard elevator. In the future, we plan to promote ZEXIA as a new global standard model in other countries and regions as well.

ZEXIA

ZEXIA is a global standard elevator that integrates three elements of an elevator, namely the machine, a control panel and design. ZEXIA reduces energy consumption by realizing a compact machine, reducing the amount of installation space compared with previous models and integrating thinner components for opening and closing the door. With an emphasis on safety, ZEXIA also features functions such as the UCMP function, which ensures the elevator does not move with the doors open, and a function that prevents doors from opening or closing due to impact shock.



Close Collaboration with Local Distributors

In line with efforts to respond closely to diverse market needs, Fujitec has built a global network that spans 24 countries and regions. We also collaborate with local distributors, mainly through overseas local subsidiaries and affiliated companies, to ensure that Fujitec can quickly provide high-quality products and services.

In the Chinese market, where large demand is expected, we have steadily expanded our distributor network over the years.

Going forward, we will strive to further strengthen collaboration with existing distributors while cultivating new distributors in inland regions.

In October 2014, we took an important step for responding to demand in rapidly growing South Asia by establishing and commencing operations at Fujitec Lanka (Private) Ltd. in February 2015.



Promoting the development of global human resources

Carrying Out Business Rooted in Each Country and Region

To ensure we can undertake business smoothly in all countries and regions throughout the world, it is essential to acquire a deep knowledge of these countries and regions in addition to possessing strong business acumen. Based on this awareness, Fujitec strives to enhance the knowledge and abilities of its employees by implementing foreign language training and internships while proactively employing local staff. On top of this, Fujitec also raises the skills of its technical staff by holding local training workshops and inviting overseas staff to Japan to participate in training workshops.

Review of Operations

(For the Fiscal Year Ended March 31, 2015)

Japan

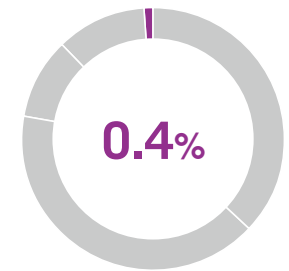
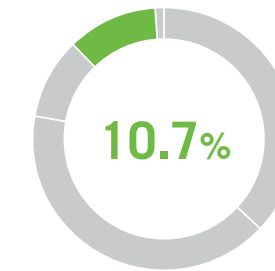
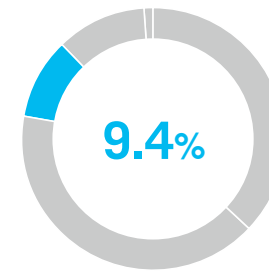
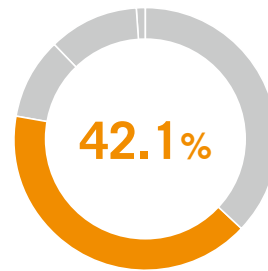
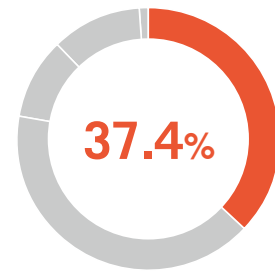
East Asia

South Asia

North & South America

Europe & Middle East

Net Sales Composition Ratio (%)



Segment Information

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

Net sales **¥65,514 million**
(Up 5.0% YoY)

Operating income **¥5,149 million**
(Up ¥544 million YoY)

Number of affiliates **3**

Number of employees **2,758**

Areas covered **All over Japan**

Net sales **¥76,241 million**
(Up 14.9% YoY)

Operating income **¥7,328 million**
(Up ¥658 million YoY)

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

Number of employees **4,288**

Countries and regions covered **China, Taiwan, Hong Kong and Korea**

Net sales **¥15,499 million**
(Up 19.0% YoY)

Operating income **¥1,559 million**
(Down ¥220 million YoY)

Number of affiliates **11**
(8 of which are consolidated subsidiaries)

Number of employees **1,268**

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

Net sales* **¥17,736 million**
(Up 25.2% YoY)

Operating loss* **(¥582 million)**
(Operating loss of ¥26 million in the previous fiscal year)

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

Number of employees* **717**

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

*North America only

Net sales* **¥601 million**
(Down 10.7% YoY)

Operating loss* **(¥1 million)**
(Operating income of ¥5 million in the previous fiscal year)

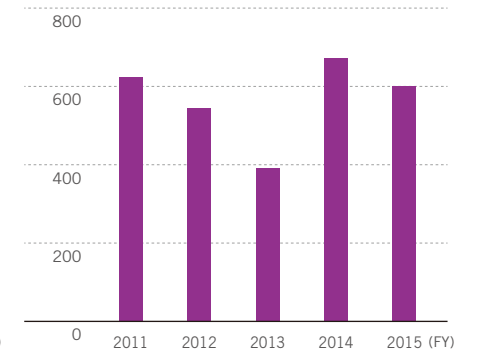
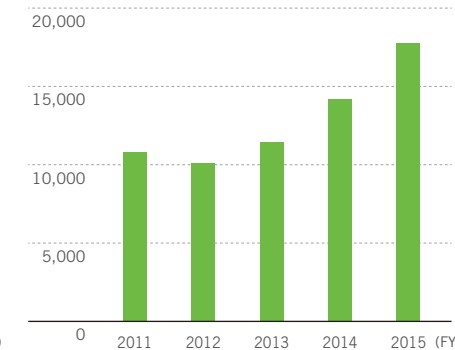
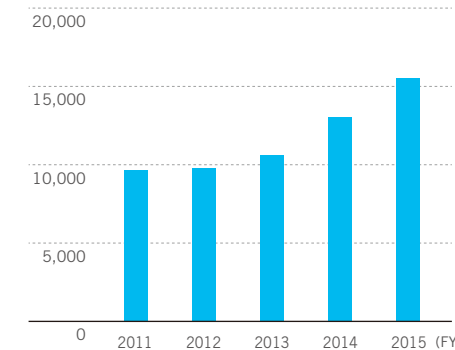
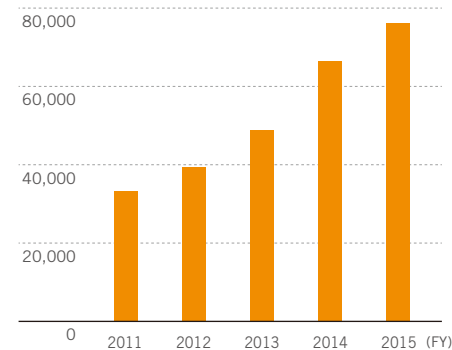
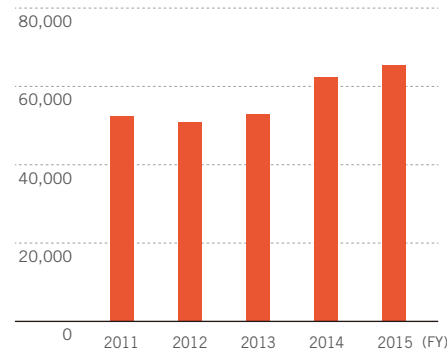
Number of affiliates **4**
(2 of which are consolidated subsidiaries)

Number of employees* **26**

Countries covered **U.K., Germany, Saudi Arabia, Egypt and UAE**

*Europe only

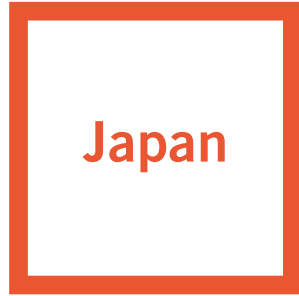
Net Sales (Millions of yen)



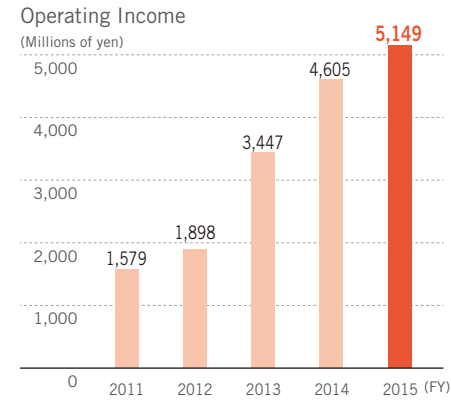
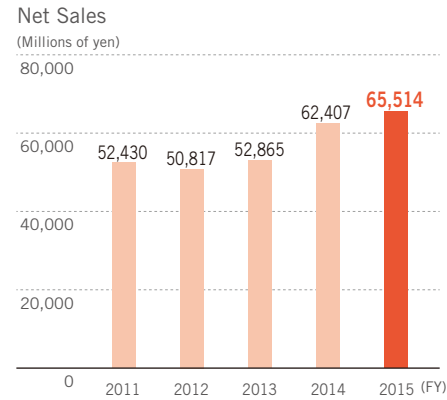
Main Projects



Review of Operations



Fiscal Year	2014	2015	Percentage Change
Net Sales	¥62,407 million	¥65,514 million	+5.0%
Operating Income	¥4,605 million	¥5,149 million	+11.8%



Toranomon Hills (Tokyo)
This 247-meter high-rise tower combines hotels, residences, offices, conference rooms and retail facilities. Fujitec delivered 44 units to this building, including 12 elevators and 32 escalators.



Ginza 6-Chome District 10 Category 1 Urban Redevelopment Project (tentative name) (Tokyo)
This redevelopment project involves integrating two districts that include the vacant site of the former Matsuzakaya Ginza store in Ginza, Chuo-ku, with the aim of establishing an international retail, business and tourism base. Fujitec received orders for a total of 76 elevators and escalators for a large-scale multi-purpose building.

Market Environment and Overview

Despite a weak pickup in demand from a decline that followed the consumption tax hike, the Japanese economy sustained a modest recovery underpinned by ongoing improvements in the employment situation and corporate earnings.

In the elevator and escalator industry, although sales to multi-unit dwellings declined, overall industry performance was favorable due to robust demand from retail facilities, offices and hotels.

Under these circumstances, in Japan sales of standard elevators, mainly for multi-unit dwellings, remained on par with the previous fiscal year. Nevertheless, Fujitec continued to post favorable results supported by growth in sales of custom-made elevators and escalators for large-scale development projects in the Tokyo metropolitan area.

As a result, domestic sales increased from the previous fiscal year. Operating income also rose, as improved profitability due to a favorable turnaround in the market environment absorbed rising costs for imported materials caused by the weakening of the yen as well as an increase in installation costs caused by a rise in import material expenses and a shortage of labor.

Initiatives in the Fiscal Year Ended March 31, 2015

New Installation Business

In the new installation business, Fujitec recorded growth in orders and unit sales due to steady growth of custom-made elevators and escalators for large-scale development projects in the Tokyo metropolitan area.

In Tokyo, Fujitec supplied 44 elevators and escalators for “Toranomon Hills,” a multi-purpose high-rise tower; 23 elevators and escalators for “KIRARITO GINZA,” a large-scale retail facility; and 17 elevators and escalators for “Minato Park Shibaura,” a public multi-purpose building in Minato-ku. In Osaka, we supplied 11 elevators and escalators for new school buildings at “Ritsumeikan University Osaka-Ibaraki Campus” in Ibaraki City.

Modernization Business

In the modernization business for the renewal of existing elevators and escalators, Fujitec recorded an increase in renewal work for custom-made elevators, mainly in the Tokyo metropolitan area. Additionally, we posted smooth growth in sales of safety enhancement packages that respond to the amendment of the Building Standards Act in April 2014.

We further improved the safety and security of these safety enhancement packages by adding anti-seismic functions to the existing features of short installation times and low costs. We are working to expand sales of these packages as products that assure the safety of existing elevators.

Outlook and Initiatives for the Next Fiscal Year

The Japanese economy is expected to sustain a recovery owing to the positive impact of low crude oil prices and high stock prices in addition to firm corporate earnings and an improvement in the employment environment.

In the elevator and escalator industry, despite a labor shortage and the effects of soaring prices for materials caused by the weakening of the yen, we expect to achieve solid results due in part to robust demand driven by a rebound in sales of multi-unit dwellings and the upgrading of infrastructure for the Tokyo Olympics. Nevertheless, the Fujitec Group’s business environment is likely to remain harsh as we inevitably encounter intensifying competition to secure market share.

In the new installation business, we will raise earnings power through cost reductions while expanding market share. In the after-sales service market, where robust demand is expected, Fujitec will continue to proactively promote its modernization business by strengthening its product capabilities and enhancing the product lineup.

For the fiscal year ending March 31, 2016, we are anticipating increases in sales and profits.

Main Projects Completed in the Fiscal Year Ended March 31, 2015

Location	Customer	Overview
Tokyo	Toranomon Hills	Multi-purpose high-rise tower 44 elevators and escalators
Tokyo	KIRARITO GINZA	Large-scale retail facility 23 elevators and escalators
Tokyo	Minato Park Shibaura	Public multi-purpose building 17 elevators and escalators
Osaka	Ritsumeikan University Osaka-Ibaraki Campus	11 elevators and escalators

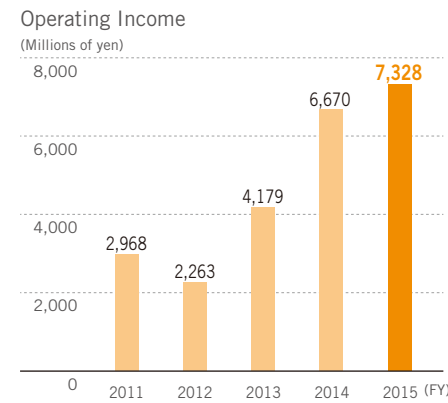
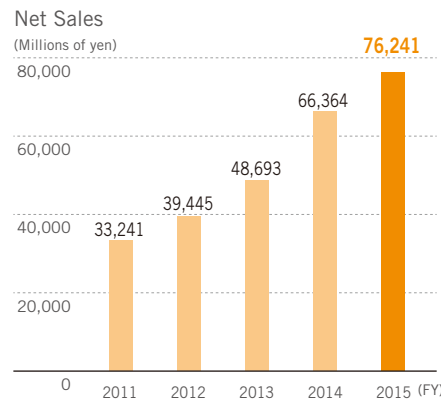
Main Project Orders Received in the Fiscal Year Ended March 31, 2015

Location	Customer	Overview
Tokyo	Ginza 6-Chome District 10 Category 1 Urban Redevelopment Project (tentative name)	Large-scale multi-purpose building 76 elevators and escalators
Tokyo	Ginza 5-Chome Redevelopment Project	Commercial multi-purpose building 15 elevators and escalators
Osaka	Expoland Site of Multiple Development Projects (tentative name)	Large-scale multi-purpose building 65 elevators and escalators
Fukuoka	Hakata Station Chuo Street SW Project	Retail facility 30 escalators

Review of Operations

East Asia

Fiscal Year	2014	2015	Percentage Change
Net Sales	¥66,364 million	¥76,241 million	+14.9%
Operating Income	¥6,670 million	¥7,328 million	+9.9%



Initiatives in the Fiscal Year Ended March 31, 2015

In East Asia, demand in China continued to expand moderately despite the impact of a slowdown in real estate investment, while demand in other countries and regions was also firm.

In China, we received orders for a total of 113 elevators and escalators for the “Chongqing Ranjiaba Center,” a large multi-purpose facility in Chongqing City. We delivered 142 elevators and escalators for “Wangjing SOHO,” a large multi-purpose facility in Beijing and 89 elevators and escalators for “IAPM Shanghai,” a large retail facility in Shanghai. In Hong Kong, we received orders for 56 elevators and escalators for the “Centre of Excellence in



IAPM Shanghai (China)



Centre of Excellence in Pediatrics (Hong Kong)

Pediatrics,” while in Korea we delivered 72 escalators for “Lotte Mall Suwon Station,” a large commercial facility in front of Korail Suwon Station.

Outlook and Initiatives for the Next Fiscal Year

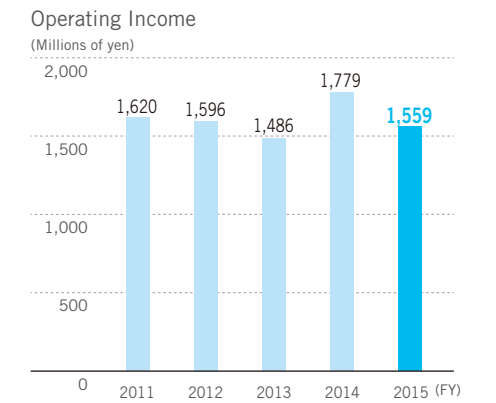
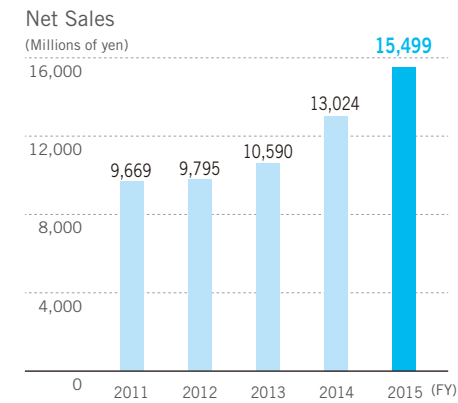
In the elevator and escalator market in China, amid persistent sluggishness in real estate investment, there is the perception that conditions in the housing market have bottomed out; therefore, demand is expected to continue expanding moderately.

Fujitec will continue to position China as its most important market and invest management resources there. We will strive to increase our share in China by enhancing our network of distributors and introducing new global standard models. At the same time, we will establish a supply chain that delivers products from China to the rest of the world.

In the mature markets of Hong Kong, Taiwan and Korea, we will focus on promoting modernization operations. In Korea, where we established a new research tower in 2014, we will devote efforts to R&D in addition to supplying our global bases mainly with custom-made models.

South Asia

Fiscal Year	2014	2015	Percentage Change
Net Sales	¥13,024 million	¥15,499 million	+19.0%
Operating Income	¥1,779 million	¥1,559 million	-12.4%



Initiatives in the Fiscal Year Ended March 31, 2015

In each country, Fujitec recorded an increase in new orders and completions and achieved favorable sales. However, operating income declined due to such factors as increased labor costs in Singapore and the postponement of projects in India and ASEAN countries due to the holding of general elections and other factors.

In Malaysia, we received an order for 89 escalators and moving walks for the “Paradigm Mall Johor Bahru,” a multi-purpose retail facility in Johore. In India, we received an order for 30 elevators and escalators for “TRIL Ramanujan IT City,” a multi-purpose retail facility in Chennai, Tamil Nadu. In Vietnam, we delivered 20 escalators and moving walks for the “AEON MALL Tan Phu Celadon,” a retail facility in Ho Chi Minh City, as well as 68 elevators, escalators and moving walks for “Noi Bai International Airport Terminal 2” in Hanoi.

Outlook and Initiatives for the Next Fiscal Year

In India, where large growth is expected, we will augment our production capabilities while expanding our network of sales bases and distributors in line with efforts to strengthen product supply and sales capabilities that respond to market demand. We will also supply the various countries in the ASEAN region, with a focus on developing business for the standard elevator models KYUTO and ERITO, which have been well-received in India.

Additionally, we will promote efforts to cultivate the market in Sri Lanka through Fujitec Lanka (Private) Ltd., a base established in

October 2014. In the mature market of Singapore, we will focus on undertaking modernization business.



Paradigm Mall Johor Bahru (Malaysia)



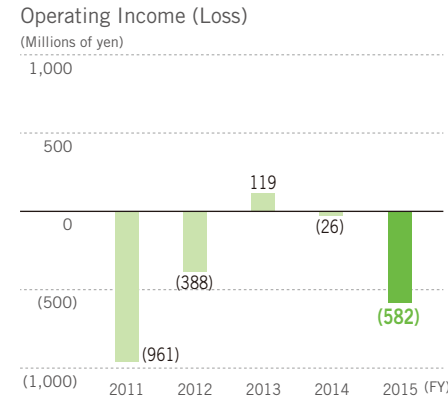
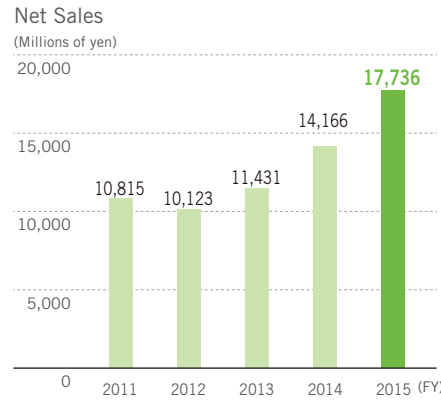
AEON MALL Tan Phu Celadon (Vietnam)

Review of Operations

North & South America

Fiscal Year	2014	2015	Percentage Change
Net Sales	¥14,166 million	¥17,736 million	+25.2%
Operating Loss	(¥26 million)	(¥582 million)	—

*North America only



Initiatives in the Fiscal Year Ended March 31, 2015

In North America, the economy expanded owing to increases in production and employment and robust consumer spending, and the elevator and escalator industry posted solid results. Fujitec recorded steady orders for new installations and achieved an increase in sales. Although operating income improved in the second half of the fiscal year, Fujitec recorded an operating loss due to rising installation costs and other factors.

Looking at orders and completed projects, we received an order for 25 elevators for housing facilities at the “OSU NRD Project” in the U.S. state of Ohio and delivered 20 elevators for the “Carnegie 57,” a multi-purpose skyscraper, in the U.S. state of New York. In South America, we received an order for 10 elevators for the “Banco Galicia Green Tower” in Buenos Aires, Argentina. We also delivered 14 elevators for the “955 Belgrano Office,” a high-rise office building in Buenos Aires.

Outlook and Initiatives for the Next Fiscal Year

The North American economy is expected to continue expanding and the elevator and escalator industry is also projected to post solid results. Under these circumstances, besides focusing on the new installation business, Fujitec will also strengthen product capabilities in the modernization sector, which has high growth potential, and pursue cost reductions and more streamlined business operations. For the fiscal year ending March 31, 2016, we

plan to record a slight increase in net sales while on the operating income front we expect to break even.



955 Belgrano Office (Argentina)

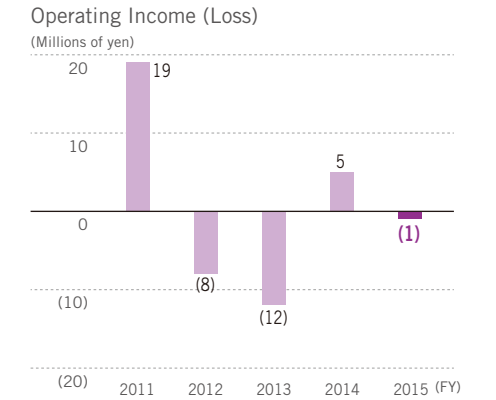
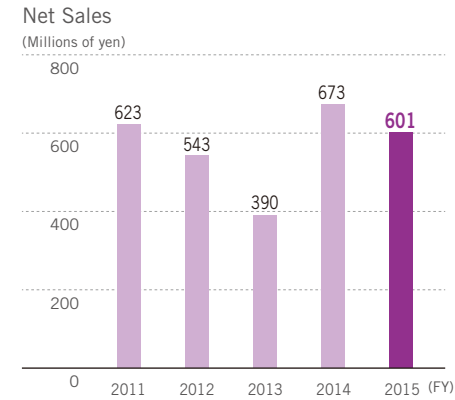


Carnegie 57 (U.S.A.)

Europe & Middle East

Fiscal Year	2014	2015	Percentage Change
Net Sales	¥673 million	¥601 million	-10.7%
Operating Income (Loss)	¥5 million	(¥1 million)	—

*Europe only



Initiatives in the Fiscal Year Ended March 31, 2015

The European economy is sustaining a mild recovery, driven mainly by the economies of Germany and the United Kingdom. Moreover, orders in the Middle East are also favorable.

In the Middle East, we received an order for 55 elevators and escalators for the “Sharjah Mall,” a multi-purpose retail facility in Sharjah in the United Arab Emirates (UAE). In addition, we received an order for 30 elevators and escalators for “The Pointe,” a multi-purpose retail facility in Dubai, also in the UAE.

Outlook and Initiatives for the Next Fiscal Year

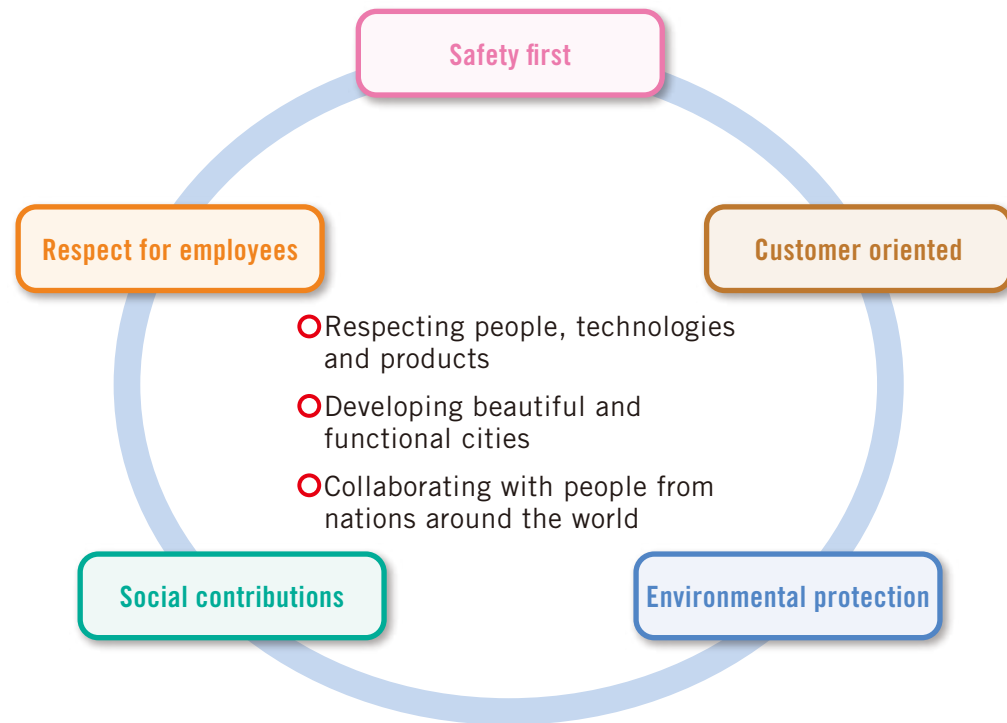
The European economy is expected to continue moving toward a moderate recovery. Amid this environment, Fujitec will strive to strengthen product capabilities for the modernization sector, which has high growth potential, while promoting cost reductions and more streamlined business operations. For the fiscal year ending March 31, 2016, we plan to record net sales of ¥800 million, while on the operating income front we expect to break even.



The Pointe (UAE)

Corporate Social Responsibility (CSR)

Fujitec's global mission statement states, "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." Recognizing that the implementation of this mission statement represents the genuine essence of our CSR, we work in unison to undertake CSR activities. Fujitec also collaborates with its stakeholders to carry out diverse CSR activities as part of efforts to coexist harmoniously with society and nature and realize a sustainable society and to become a truly valuable company.



Initiatives for Safety

● Maintenance Operations

Elevators require proper management, maintenance inspections and regular testing to continue operating safely and comfortably at all times. Fujitec offers an integrated system of in-house development, production and maintenance, thereby contributing to the development of safe social infrastructure. We perform maintenance inspections of elevators by specialists once a month in general in order to provide stable, high-quality services.



Elevator maintenance operations

● Safety Enhancement Packages

Fujitec provides safety enhancement packages as safety countermeasures for existing elevators. In addition to functions to prevent elevators from moving while their doors are still open and to prevent people from being trapped inside during an earthquake or power outage, these packages also include seismic reinforcement to prevent rope displacement or entanglement as well as derailment. Bringing these enhancements into a single package, the product enables elevator owners to comply with legal safety standards at minimal cost and effort.

● Fostering an Awareness of Safe Driving

Fujitec also makes efforts to foster an awareness of safe vehicle operation. In all company-owned vehicles, Fujitec has introduced telematics systems that transmit real-time e-mails to administrators whenever excessive speed or sudden deceleration or acceleration are detected. The introduction of these systems is helping to reduce vehicle accidents.

We also convene the monthly Health and Safety Committee composed of the managers of each service center, while at the morning meeting all employees recite the "10 Don't Do Rules for Safety" as part of safety awareness efforts.

Two Technique Competitions to Develop Human Resources and Hand Down Technologies

Fujitec holds the National Installation/Renovation Technique Competition aimed at raising elevator and escalator installation skills and the National Maintenance Technique Competition for increasing the level of maintenance skills. Each competition is held every two years. In the National Maintenance Technique Competition held in 2014, participants competed in a variety of events. These ranged from paper

tests and maintenance technique competitions to information search and answer contests using the company's intranet as well as a customer-response contest using customer-dialogue simulations. By holding these competitions, we are aiming to share advanced techniques and know-how in addition to raising the quality of our human resources by handing down various techniques.



Competition in which participants demonstrate their techniques cultivated through daily efforts



Making electric circuits



Information search using the company's intranet

Social Contribution Activities

● Holding Elevator Training for Fire Departments and Japan Self-Defense Forces

In August 2014, Fujitec held training at the Big Fit after-sales service base for the Ibaraki City Fire Department in Osaka and the Japan Ground Self-Defense Force Camp Itami. This training focused on methods for rescuing persons trapped inside elevators following an earthquake or other natural disasters.

The training explained the basic mechanisms of elevators and methods of unlocking doors at each floor stop and also provided practical training on rescuing trapped riders using an actual elevator. We plan to continue holding this type of external training.



Elevator training held on a regular basis

● Co-Sponsoring Concert Tours

Fujitec also supports musical events and other cultural and artistic activities. In 2014, we co-sponsored "THE PIANIST—Composer Pianist Festival 2014," a concert tour featuring such popular pianists as Nobuyuki Tsujii, Takashi Kako and Les Frères. Held from August 23 through September 3, this tour consisted of nine performances in seven cities across Japan.



Nobuyuki Tsujii



Takashi Kako



Les Frères

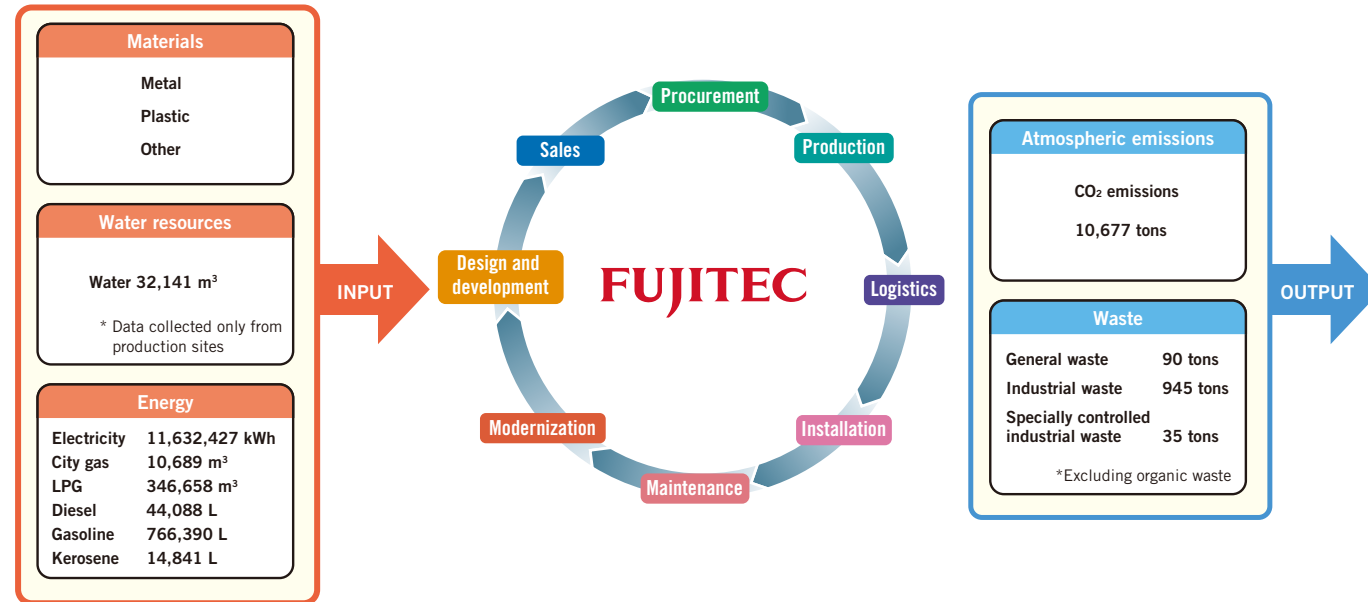
Corporate Social Responsibility (CSR)

Environmental Activities

Fujitec positions the implementation of environmental initiatives as one of its top-priority management issues for the sustainable development of society. Aiming for coexistence between social and economic development and the earth's environment, we strive to accurately assess the environmental impact of development, design and production of elevators and escalators as well as field services and actual products. We then formulate environmental goals and targets and make unified group-wide efforts to attain these objectives.

Overall Environmental Load (Fiscal Year Ended March 31, 2015)

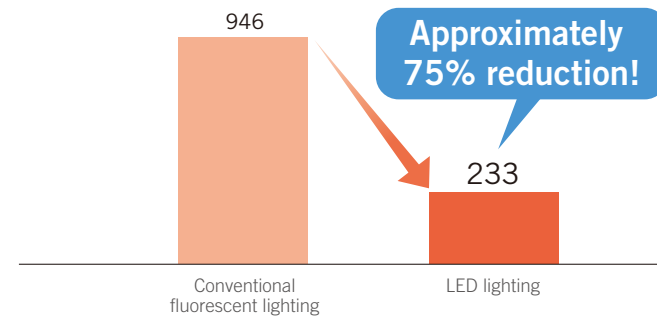
Scope for data collection: Head Office, plants, regional offices, branch offices and service centers in Japan



Switching to LED Lighting to Achieve Large Reductions in Electric Power Consumption and CO₂ Emissions

Switching to LED lighting inside elevators enables an approximately 713 kWh reduction in electric power consumption and around a 392 kg reduction in CO₂ emissions annually while still maintaining the same level of brightness. We are making proposals to customers for replacing their conventional fluorescent lighting with LED lighting.

Annual Electric Power Consumption (kWh)



Activities for Removing Invasive Fish Species at Lake Biwa

Shiga Prefecture is focusing on measures to remove invasive fish species from Lake Biwa that are having a major adverse impact on the lake's ecosystem. Fujitec agrees with the intent of this project and participates in these activities every year.

In October 2014, Fujitec held the Fourth Fujitec Invasive Fish Removal Event that attracted a total of 54 anglers, including participants from Osaka and Nagoya. The landed invasive fish were picked up by a non-profit organization (NPO) and then processed into compost that was distributed to neighboring farmers.



Fourth Fujitec Invasive Fish Removal Event

Corporate Governance

Basic Policy

Basic Approach to Corporate Governance

Fujitec's global mission statement 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." To accomplish this mission, we believe that it is essential to gain stakeholders' trust and fulfill our social responsibilities. With our steadfast reputation, we will work to meet the expectations of all our stakeholders and to increase their trust in us. To this end, we will construct and establish the corporate governance structure we require to ensure sound and transparent group management.

Management Structure

Matters Related to Functions of Business Execution, Audits and Oversight, Nominations and Determination of Compensation (Overview of Current Corporate Governance Structure)

Fujitec is a company with a Board of Directors and an Audit & Supervisory Board. The Board of Directors is comprised of seven directors (including three outside directors) and is responsible for deciding on important matters relating to business management and overseeing directors' performance of their duties. At the same time, the Audit & Supervisory Board comprised of four audit & supervisory board members (including two outside audit & supervisory board members) audits the directors' performance of their duties.

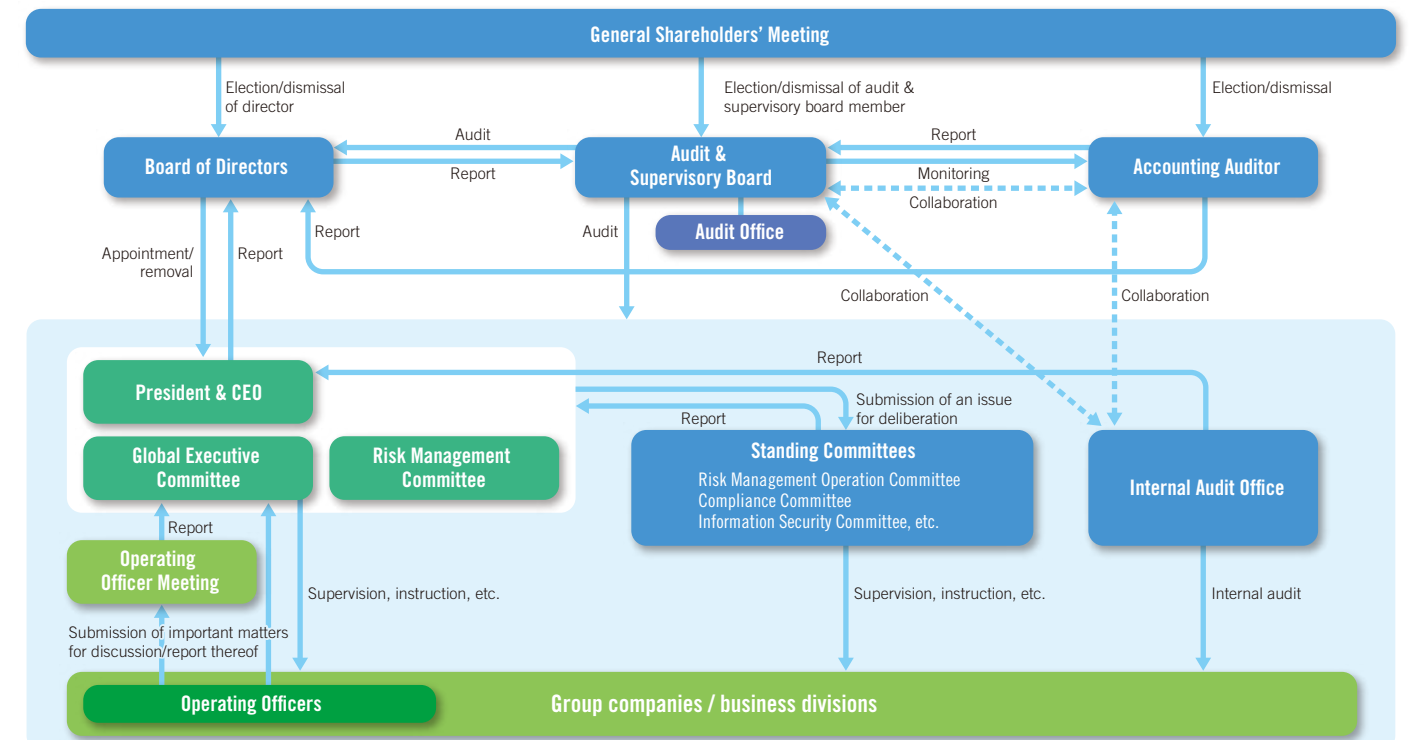
The business execution framework of the company and its subsidiaries is the subject of the important conferences of the Global Executive Committee, which meets on a quarterly basis to deliberate on important issues in group management, including business promotion in Japan and abroad, and the Operating Officer Meeting, which is held on a monthly basis to deliberate on important issues regarding business

in Japan. All operating officers serving concurrently as directors attend the Global Executive Committee, including the CEO, the executive vice president and the standing audit & supervisory board members. At the Operating Officer Meeting, all directors in Japan concurrently serving as operating officers attend, including the CEO and the vice president. In addition, the proceedings and results of these important conferences are reported to outside directors following each meeting.

Reason for Selecting the Current Corporate Governance Structure

In line with the company's basic approach to corporate governance, the company seeks to strengthen guidance and management through standing committees, such as the Risk Management Committee, while overseeing the status of business execution through the attendance of directors serving concurrently as operating officers in important meetings and other means. Moreover, the proceedings and results of important meetings are reported to the outside directors so that they can give appropriate advice and so forth. The company also promotes the sharing of information of audits by the audit & supervisory board

Corporate Governance Structure



Corporate Governance

members, accounting audits and internal audits, which are undertaken independently of business execution, and strives to optimize the governance structure so that each of these can perform its role and function effectively.

Internal Control

Basic Approach and Status of the Internal Control System

The Fujitec Group has enacted the Basic Policy on Internal Control by a resolution of the Board of Directors based on the Global Mission Statement, the Fujitec Philosophy of Human Resource Management and the Fujitec Corporate Action Rules. Based on this policy, Fujitec has an Internal Control Department to promote related activities. That Department also responds to evaluations and audits of the internal control system by working to understand the operation processes of each business execution division and upgrading the internal control system. We have also established dedicated committees for compliance, risk management and information management systems, and these provide the necessary guidance and management for business execution.

Risk Management

To reduce various operating risks, the company has established the Risk Management Committee, chaired by the CEO. The Committee works to promote compliance, including risk management at all group companies, and information security measures, as well as to achieve early detection of risk factors that could have a major social impact, such as ensuring product safety, and countermeasures for those factors. Underneath the Committee there are standing committees that investigate and study each risk factor. The Risk Management Operation Committee collects information swiftly and accurately and ensures proper direction and the management of business execution to ensure that risk management functions effectively throughout the company.

Compliance

The Compliance Committee promotes compliance with the laws, regulations and corporate ethics necessary for promoting appropriate corporate activities and disseminates these to group employees and other concerned persons as widely as possible. The Committee formulates the Compliance Action Plan every year and promotes compliance activities. As part of these activities, the company conducts training for employees according to their position, level and department, as well as group training and on-demand education through e-learning, along with other measures to ensure that laws and

regulations are made known to employees along with carrying out activities to raise employee awareness. The company has also established an internal reporting system to curb fraud. This includes a Compliance Consultation Desk as an internal reporting system related to compliance that allows all employees to consult directly regardless of organizational lines and which will receive employee reports.

Information Management (Information Security)

To protect information assets with a view toward maintaining and improving security, the Information Security Committee formulates the security policy and countermeasure standards. Also, upon deliberating and discussing the use, handling and management of information networks, systems and devices, the Committee provides instruction and promotes educational activities in these areas.

Auditing System

Internal Auditing

To raise the effectiveness of the internal control system, the Internal Audit Office, which is composed of internal auditors with an appreciable level of knowledge on finance and accounting, formulates the auditing plan for each fiscal year based on the Internal Audit Basic Regulations decided by a resolution of the Board of Directors and implements internal audits centered on the examination and assessment of risk at group companies.

Audit & Supervisory Board Members

Audit & supervisory board members determine audit standards, policies and plans at the Audit & Supervisory Board. Full-time audit & supervisory board members properly audit the execution of business duties by directors by attending the Global Executive Committee as well as by getting reports on the status of the execution of business duties.

As the secretariat for audit & supervisory board members and the Audit & Supervisory Board, we have set up the Audit Office, which is independent from business execution departments and exclusively plays an ancillary role in audit operations, and established a structure for promoting smooth audit operations.

Mutual Collaboration among the Internal Auditors, Audit & Supervisory Board Members and Accounting Auditors and Relationship with Internal Control Department

The audit & supervisory board members, accounting auditors and Internal Audit Office regularly convene liaison meetings for formulating audit policies and plans for each fiscal year to share auditing information with audited departments and implement activities for carrying out effective audits.

The results of the internal audit are reported to the Board of Directors as well as the Audit & Supervisory Board and the Internal Control Department. The Internal Control Department cooperates with the Internal Audit Office and the accounting auditors, while undertaking activities to raise the level of internal control. Each half year, it reports on plans and the status of these efforts to the Board of Directors, in which outside directors and outside audit & supervisory board members participate.

Outside Directors and Outside Audit & Supervisory Board Members

The company has three outside directors and two outside audit & supervisory board members. The outside directors possess a wealth of experience and knowledge in corporate management and provide useful advice and recommendations from objective perspectives to the company's management. We also believe the outside audit & supervisory board members can utilize their abundant experience and knowledge in finance and accounting in the company's audits and execute proper audits from objective and specialist perspectives.

Additionally, the company reports to outside directors on the proceedings and results from the Global Executive Committee and the Operating Officer Meeting that deliberate on important matters concerning management and the implementation of businesses in Japan and overseas. The company reports to outside audit & supervisory board members on the proceedings of liaison meetings held by the full-time audit & supervisory board members, accounting auditors and Internal Audit Office for the purpose of sharing audit-related information. In this manner, we collaborate with and support outside directors and outside audit & supervisory board members by providing them with information on the company and its group companies that is necessary for oversight and audits.

Reason for Selection of Outside Directors and Outside Audit & Supervisory Board Members

Position	Main Concurrent Position	Reason for Selection
Outside Director Hisao Shigekane	Counselor, Fuji Electric Co., Ltd. Outside Director, Tsukishima Kikai Co., Ltd.	Mr. Shigekane has been involved in corporate management for many years. The company believes that he will provide management with useful opinions and advice based on his rich store of experience and high level of knowledge.
Outside Director*1 Yasuo Hanakawa		Mr. Hanakawa fulfills the conditions for an independent director*2, and he has been involved with corporate management for many years and has served as a university professor of business administration and other disciplines. The company believes that he will provide management with useful opinions and advice based on his rich store of knowledge.
Outside Director*1 Terumichi Saeki	Attorney, Kitahama Partners Outside Director, IwaiCosmo Holdings, Inc. Outside Audit & Supervisory Board Member, Watabe Wedding Corporation	Mr. Saeki fulfills the conditions for an independent director*2, and he has been involved with corporate management for many years as a lawyer and has experience serving as an outside officer. The company believes that he will provide management with useful opinions and advice based on his rich store of knowledge.
Outside Audit & Supervisory Board Member*1 Kenichi Ishikawa		Mr. Ishikawa has been involved in important positions in financial institutions for many years. The company believes he will make use of his store of experience and knowledge relating to finance and accounting to perform his duty of auditing the company appropriately.
Outside Audit & Supervisory Board Member*1 Masanobu Nakano	Head of the Masanobu Nakano CPA Office Representative member of tax accountant's corporation TAS Outside Audit & Supervisory Board Member, S Foods Inc. Outside Audit & Supervisory Board Member, Kura Corporation	Mr. Nakano fulfills the conditions for an independent auditor*2. The company believes that he will make use of his store of rich experience and high level of knowledge as a certified public accountant and a tax accountant to perform his duty of auditing the company appropriately.

*1: Independent directors / auditors

*2: Mandatory conditions imposed by Tokyo Stock Exchange, Inc. to ensure the protection of ordinary shareholders

Directors, Audit & Supervisory Board Members and Operating Officers

(As of June 23, 2015)

Directors



Representative Director, President and CEO
General Manager of Global Business HQ
In charge of China

Takakazu Uchiyama

Jul. 2005 Chief executive officer (current)
Jun. 2002 Representative director and president (current)
Apr. 1976 Joined the company



Executive Vice President
General Manager of Japan Business HQ

Iwataro Sekiguchi

Apr. 2010 Representative director (current)
Apr. 2007 Vice president (current)
Apr. 1974 Joined the company



Director
Deputy General Manager of Global Business HQ
In charge of South Asia
President of Fujitec Singapore Corpn. Ltd.

Narayanapillai Sugumaran

Jun. 2012 Director of the company (current)
Apr. 2012 Senior executive operating officer (current)
Jul. 1974 Joined Fujitec Singapore Corpn. Ltd.



Director
Deputy General Manager of Global Operations in Global Business HQ
General Manager of Global Modernization Business Promotion Center
Deputy General Manager of Japan Business HQ

Takao Okada

Jun. 2012 Director of the company (current)
Apr. 2012 Senior executive operating officer (current)
Apr. 1976 Joined the company



Outside Director
Hisao Shigekane

Jun. 2014 Director of the company (current)
Jun. 2014 Outside Director of Tsukishima Kikai Co., Ltd. (current)
Jun. 2014 Counselor, Fuji Electric Co., Ltd. (current)
Apr. 1974 Joined Fuji Electric Manufacturing Co., Ltd. (currently Fuji Electric Co., Ltd.)



Outside Director
Yasuo Hanakawa

Jun. 2007 Director of the company (current)
Apr. 2004 Professor at the Faculty of Accounting & Finance of Nagoya University of Commerce & Business
Sep. 2003 Professor at the Faculty of Management of Nagoya University of Commerce & Business
Jun. 1998 Managing Director of Nissay Asset Management Corporation
Jun. 1997 Managing Director of Dai-ichi Securities Co., Ltd.



Outside Director
Terumichi Saeki

Jun. 2014 Director of the company (current)
Jun. 2012 Outside Audit & Supervisory Board Member of Watabe Wedding Corporation
Jun. 2010 Outside Director of IwaiCosmo Holdings, Inc. (current)
Jun. 2009 Audit & Supervisory Board Member of the company
Apr. 1968 Registered as an attorney (Osaka Bar Association)

Audit & Supervisory Board Members

Audit & Supervisory Board Member (Standing)

Masahiko Nogi

Jun. 2012 Audit & Supervisory Board Member of the company (current)
Jun. 2009 Director of the company
Dec. 1977 Joined the company

Outside Audit & Supervisory Board Member (Standing)

Kenichi Ishikawa

Jun. 2014 Audit & Supervisory Board Member of the company (current)
Apr. 1985 Joined Daiwa Bank, Ltd. (currently Resona Bank, Ltd.)

Audit & Supervisory Board Member

Yoshio Kitagawa

Jun. 2012 Audit & Supervisory Board Member of the company (current)
Jun. 2009 Director of the company
Jan. 2001 Joined the company

Outside Audit & Supervisory Board Member

Masanobu Nakano

Jun. 2007 Audit & Supervisory Board Member of the company (current)
Mar. 2005 Established tax accounting corporation, TAS representative member (current)
Oct. 2002 Registered as a tax accountant
Oct. 1975 Registered as a certified public accountant

Operating Officers

President and CEO	Takakazu Uchiyama*
Executive Vice President and Operating Officer	Iwataro Sekiguchi*
Senior Executive Operating Officer	Narayanapillai Sugumaran*
Senior Executive Operating Officer	Takao Okada*
Executive Operating Officer	Keiji Tsuyama
Executive Operating Officer	Katsuji Okuda
Executive Operating Officer	Yoshiichi Kato
Executive Operating Officer	Takashi Asano
Operating Officer	Junji Kajita
Operating Officer	Haruo Inoue
Operating Officer	Masahiro Tagawa
Operating Officer	Masayoshi Harada
Operating Officer	Yasuyuki Uchiyama
Operating Officer	Kunihiko Tsutsui
Operating Officer	Yasuo Utsunomiya
Operating Officer	Hisao Izuhara
Operating Officer	Akihiko Hayase
Operating Officer	Masashi Tsuchihata
Operating Officer	Kenji Tomooka

* Concurrently serving as directors

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Management Discussion and Analysis

Operating Results

Net Sales

Consolidated net sales for the fiscal year ended March 31, 2015 were ¥165,297 million, an increase of 12.4% compared with the previous fiscal year. Domestic net sales were ¥61,508 million, an increase of 5.4% compared with the previous fiscal year, and overseas net sales were ¥103,789 million, an increase of 17.0% compared with the previous fiscal year. The actual percentage increase in overseas sales, excluding the effect of foreign exchange fluctuations, was 7.2%.

1. Japan

In Japan, net sales were ¥65,514 million, an increase of 5.0% compared with the previous fiscal year, due to an increase in new installations. Operating income was ¥5,149 million, an increase of ¥544 million compared with the previous fiscal year, because of a favorable turnaround in the market environment that absorbed rising costs for imported materials as a result of the weakening of the yen as well as offset an increase in installation costs caused by a shortage of labor.

2. North America

In North America, net sales were ¥17,736 million, an increase of 25.2% compared with the previous fiscal year, due mainly to growth in new installations. An operating loss of ¥582 million was recorded due to increased installation costs whereas an operating loss of ¥26 million was recorded in the previous fiscal year. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 17.0%.

3. Europe

In Europe, net sales were ¥601 million, a decrease of 10.7% compared with the previous fiscal year. An operating loss of ¥1 million was recorded, whereas operating income of ¥5 million was recorded in the previous fiscal year.

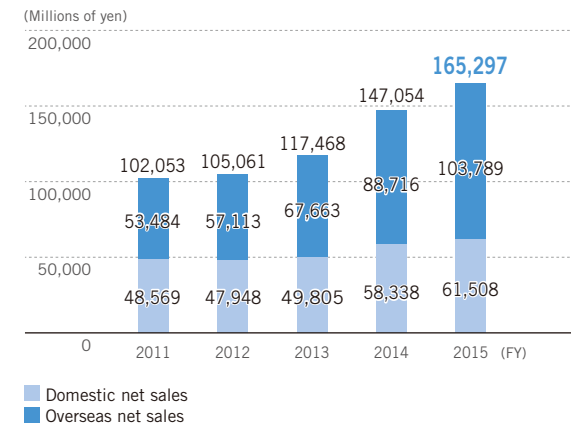
4. South Asia

In South Asia, net sales were ¥15,499 million, an increase of 19.0% compared with the previous fiscal year. Operating income was ¥1,559 million, a decrease of ¥220 million compared with the previous fiscal year, due mainly to a rise in new installation costs. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 10.4%.

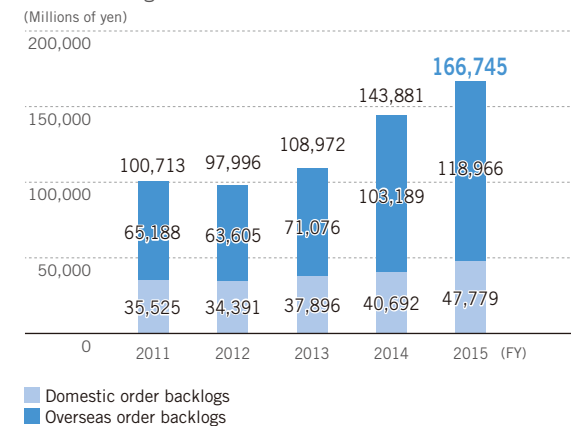
5. East Asia

In East Asia, net sales were ¥76,241 million, an increase of 14.9% compared with the previous fiscal year, due to an increase in new installations in China. Operating income was ¥7,328 million, an increase of ¥658 million compared with the previous fiscal year. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 4.5%.

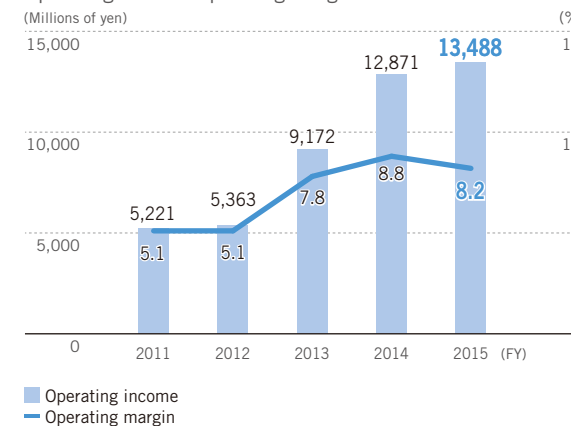
Net Sales (Domestic/Overseas)



Order Backlogs (Domestic/Overseas)



Operating Income/Operating Margin



Order Backlogs

In Japan, order backlogs were ¥47,779 million, an increase of 17.4% compared with the level at the end of the previous fiscal year. Overseas, order backlogs were ¥118,966 million, an increase of 15.3% compared with the level at the end of the previous fiscal year. As a result, the total amount of order backlogs was ¥166,745 million, an increase of 15.9% compared with the level at the end of the previous fiscal year. The actual percentage increase in total order backlogs overseas, excluding the effect of foreign exchange fluctuations, was 5.7%.

Operating Income and Net Income

Operating income was ¥13,488 million, an increase of 4.8% compared with the previous fiscal year, due to an increase in profit in Japan and East Asia. Ordinary income was ¥14,826 million, an increase of 4.5% compared with the previous fiscal year, because of an increased financial balance. Income before income taxes and minority interests was ¥14,806 million, an increase of 5.9% compared with the previous fiscal year, as a result of a decrease in a net special loss. Net income was ¥8,356 million, an increase of 9.0% compared with the previous fiscal year.

Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year ended March 31, 2015 were ¥179,856 million, an increase of ¥25,591 million compared with the end of the previous fiscal year. This was due mainly to an increase in cash and deposits as well as an increase in trade notes and accounts receivable.

Total liabilities were ¥75,236 million, an increase of ¥14,472 million compared with the end of the previous fiscal year. This was mainly because decreases in accrued income taxes and net defined benefit liability were offset by increases in electronically recorded obligations, short-term debt and advances from customers.

Net assets were ¥104,620 million, an increase of ¥11,119 million compared with the end of the previous fiscal year. This was due mainly to increases in retained earnings of ¥7,833 million and foreign currency translation adjustments of ¥6,324 million, which were offset by a purchase of treasury stock of ¥6,894 million. The shareholders' equity ratio at March 31, 2015 was 51.9%, a decrease of 2.9 percentage points compared with the end of the previous fiscal year, and net assets per share were ¥1,074.82, an increase of ¥162.42 compared with the end of the previous fiscal year.

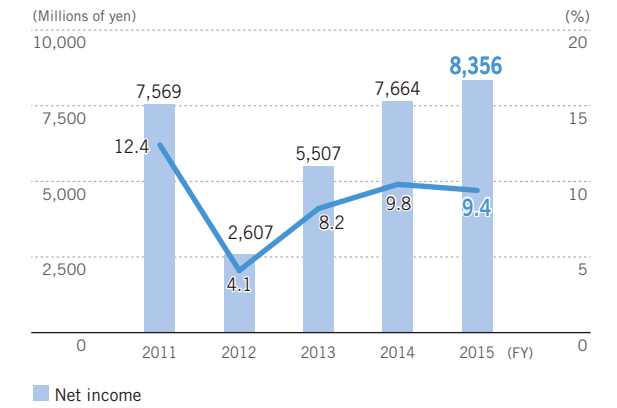
Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2015 were ¥30,602 million, an increase of ¥9,699 million compared with the end of the previous fiscal year.

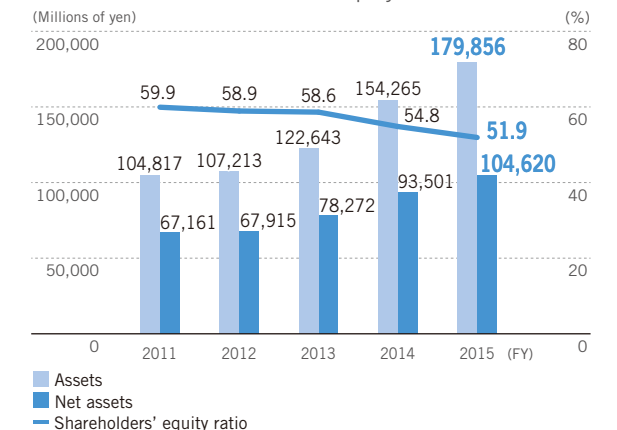
Cash Flows from Operating Activities

Net cash provided by operating activities was ¥10,753 million, an increase in revenue of ¥1,459 million compared with the previous fiscal year. This was due mainly to an increase in trade notes and accounts receivable, which was offset by income before income taxes and minority interests of ¥14,806 million and depreciation and amortization of ¥2,373 million.

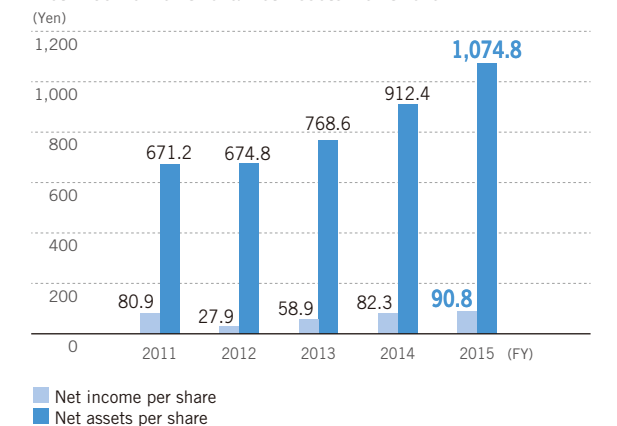
Net Income/ROE



Assets/Net Assets/Shareholders' Equity Ratio



Net Income Per Share/Net Assets Per Share



Cash Flows from Investing Activities

Net cash used in investing activities was ¥619 million, a decrease in expenditures of ¥2,036 million compared with the previous fiscal year, due mainly to an increase in time deposits, net (with the maturity of more than three months) of ¥1,651 million and collection of loans receivable of ¥1,856 million, which were offset by acquisitions of property, plant and equipment of ¥3,867 million.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥3,225 million, a decrease in expenditures of ¥598 million compared with the previous fiscal year, due mainly to an increase in short-term debt, net of ¥7,079 million offsetting purchase of treasury stock of ¥6,894 million and cash dividends paid.

Capital Investment

Total capital investment during the fiscal year ended March 31, 2015 was ¥4,071 million. Within this, capital investment in Japan was ¥1,328 million mainly for additional facilities that comprise elevator development and production bases and after-sales service bases. Overseas capital investment was ¥2,743 million for production bases in East Asia.

R&D Expenses

Total R&D expenses during the fiscal year ended March 31, 2015 were ¥2,023 million. Within this, R&D expenses in Japan came to ¥1,900 million, and overseas R&D expenses were ¥123 million.

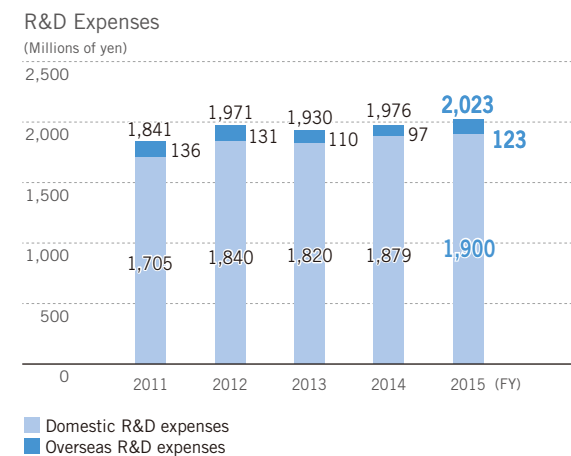
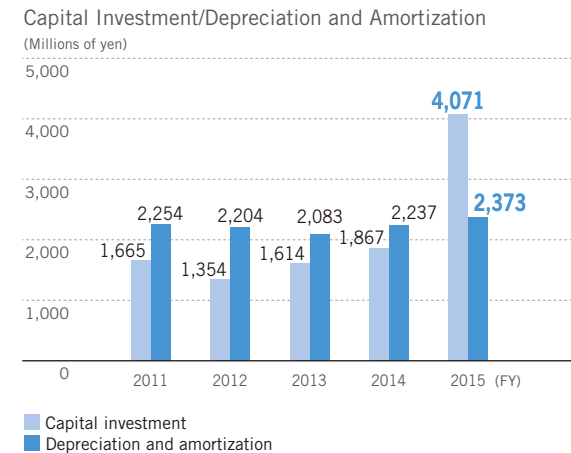
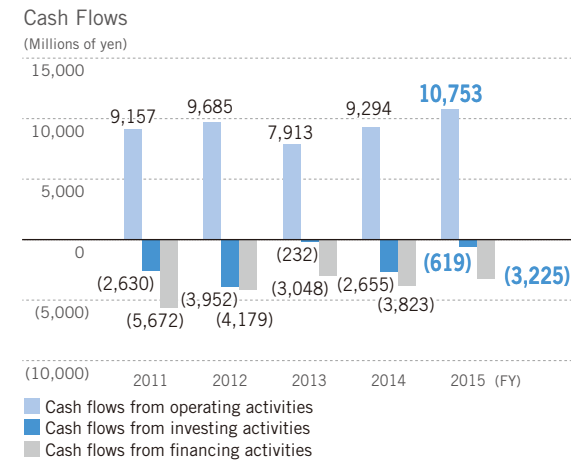
Business and Other Risks

The following matters represent risks that could have a significant material impact on investors' decisions among the matters concerning business conditions and accounting conditions mentioned in this annual report. These risks do not necessarily cover all possible risks facing the Fujitec Group and there are also other risks that are difficult to forecast. The Fujitec Group's business, business results and financial condition could be significantly and adversely affected by any risk factor in the future.

Forward-looking statements contained in this report represent judgments by the Fujitec Group as of the end of the consolidated fiscal year.

Political and Economic Circumstances

The Fujitec Group has 12 production bases and numerous sales bases in 24 countries and regions around the world and carries out global business activities. Political and economic circumstances in these countries and regions where business is carried out could have an impact on the supply of and demand for the Fujitec Group's products. In particular, the Fujitec Group's products are elevators and escalators that are installed in buildings, including office buildings, hotels, commercial buildings and residences. Therefore, these products have one aspect whereby the scale of public-sector investment and economic trends in the construction industry in Japan and overseas could have an impact on the Fujitec Group's business results.



Development of New Products

The Fujitec Group continually carries out activities for the development of new products that are matched to customer needs. In the elevator and escalator industry, where the Fujitec Group operates, customer needs are diversifying in step with the maturing of markets. On the other hand, product development competition among leading manufacturers worldwide is fierce and there is a possibility of being driven out of the market by failing to adapt in a timely manner to leading-edge technological trends.

Under such conditions, not being able to adequately forecast industry and market changes and develop appealing new products could lower the Fujitec Group's future growth and profitability and have an adverse impact on its financial condition and business results.

Price Competition

In domestic and overseas markets, where the Fujitec Group undertakes business, there is ongoing fierce competition with competitors that include leading manufacturers carrying out business on a global scale. In addition, it is expected to be a continued trend toward business dominance by increasing market share. In particular, there has been an intensification of price competition for products and services introduced into the market at even lower prices as part of business development of competing companies and a business strategy of business alliances that include mutual competitors. This could have an adverse impact on the Fujitec Group's financial condition and business results.

Manufacturer's Liability

The Fujitec Group undertakes integrated production, sales, installation and maintenance of elevators, escalators and moving walks, and in each business process conforms with the laws, regulations and guidelines applicable in each market. Also, the Fujitec Group makes adequate considerations to assure the safety of customers and users by offering products and services verified in accordance with its own internally established technical standards and safety standards. Nevertheless, an unforeseen product defect or usage by the user could cause equipment damage or an incident or even in certain instances an accident resulting in injury or death.

In such circumstances, responsibility as a manufacturer could be called into question. This could have an adverse impact on the Fujitec Group's financial condition and business results because of indemnification for damages or the loss of trust by society.

Joint Ventures

The Fujitec Group basically carries out business using its own capital. However, it undertakes business through joint ventures due to legal restrictions in some countries. One such principal country is China, where the Fujitec Group has extremely favorable relations with its joint venture partners and plans to continue mutually beneficial equitable relationships.

Nonetheless, in the event of a change in a joint venture partner's economic circumstances or policies concerning business development, the Fujitec Group cannot eliminate the possibility of re-evaluating the joint venture, replacing the joint venture partner or dissolving the joint relationship in the future. Such an event could have an adverse impact on the Fujitec Group's financial condition and business results.

Latent Risks Associated with Global Business Development

As the Fujitec Group carries out global business development, the following latent risks could have an adverse impact on business development and business results.

- 1) Terrorism, wars, revolutions and other social upheaval
- 2) Occurrence of natural disasters such as earthquakes, typhoons and contagious disease pandemics
- 3) Unexpected changes in laws and regulations
- 4) Strikes by workers at seaports and airports or by persons in the transport industry
- 5) Interruption of production activities due to an infrastructure accident such as a power outage or interruption of the water supply at production bases

Raw Materials Prices

Procurement prices for raw materials such as steel stock, wire rope and stainless steel that make up the Fujitec Group's products are susceptible to the impact of steel market conditions. Therefore, a rise in prices in the steel market will push up product manufacturing costs, which could have an adverse impact on the Fujitec Group's business results.

Financing

The Fujitec Group carries out asset liability management (ALM) at each company and works to maintain adequate liquidity. However, the emergence of instability in the financial system and a change in the lending policies of financial institutions could have an adverse impact on the Fujitec Group's financial condition. Through ALM, financing is being carried out to minimize the impact of a rise in financing costs. However, a large rise in interest rates could have an adverse impact on the Fujitec Group's business results.

Exchange Rate Fluctuations

The Fujitec Group is operating global production and procurement structures for mutually supplying products and components that are advantageous in terms of cost and quality, and works to minimize the adverse impact of exchange rate fluctuations on its business results. However, an unexpectedly rapid and large fluctuation in exchange rates could have an adverse impact on the Fujitec Group's financial condition and business results.

Share Price Fluctuations

The net asset value of "other securities with a fair market value" held by the Fujitec Group could decrease due to a decline in share prices, which could have an adverse impact on the Fujitec Group's financial condition.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2015 and 2014

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Current assets:			
Cash and cash equivalents	¥ 30,602	¥ 20,903	\$ 255,017
Time deposits	21,072	20,309	175,600
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	335	343	2,792
Other	52,849	41,774	440,408
Allowance for doubtful accounts	(1,445)	(1,263)	(12,042)
	51,739	40,854	431,158
Inventories (Note 5)	20,554	19,930	171,283
Deferred tax assets (Note 6)	3,135	2,844	26,125
Other current assets	5,032	6,432	41,934
Total current assets	132,134	111,272	1,101,117
Investments and long-term loans:			
Investments in unconsolidated subsidiaries and affiliates	956	752	7,967
Investment securities (Note 4)	7,022	5,228	58,516
Long-term loans	14	16	117
Total investments and long-term loans	7,992	5,996	66,600
Property, plant and equipment, at cost (Note 7):			
Buildings and structures	29,932	27,890	249,433
Machinery, vehicles, tools, furniture and fixtures	17,784	16,681	148,200
	47,716	44,571	397,633
Accumulated depreciation	(24,639)	(22,666)	(205,325)
	23,077	21,905	192,308
Land	6,949	6,925	57,909
Construction in progress	2,859	1,152	23,825
Total property, plant and equipment, at cost	32,885	29,982	274,042
Other assets:			
Deferred tax assets (Note 6)	29	736	242
Goodwill	686	717	5,717
Intangible assets	3,626	3,159	30,216
Other	2,504	2,403	20,866
Total	¥179,856	¥154,265	\$1,498,800

The accompanying notes are an integral part of these statements.

LIABILITIES	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Current liabilities:			
Short-term debt (Note 7)	¥ 7,911	¥ 541	\$ 65,925
Current portion of long-term debt (Note 7)	352	508	2,933
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	25	27	208
Other	15,222	16,992	126,850
Electronically recorded obligations	5,281	—	44,008
Advances from customers	22,534	17,326	187,783
Accrued income taxes (Note 6)	1,706	3,119	14,217
Provision for bonuses to employees	3,241	2,905	27,009
Provision for bonuses to directors	86	66	717
Provision for losses on construction contracts	6,422	5,346	53,517
Provision for warranties for completed construction	292	488	2,433
Other current liabilities	8,334	7,031	69,450
Total current liabilities	71,406	54,349	595,050
Non-current liabilities:			
Long-term debt (Note 7)	1,379	1,271	11,491
Deferred tax liabilities (Note 6)	1,133	139	9,442
Net defined benefit liability (Note 11)	1,103	4,790	9,192
Retirement benefits for directors	192	192	1,600
Asset retirement obligation	21	20	175
Other non-current liabilities	2	3	17
Total non-current liabilities	3,830	6,415	31,917
Total liabilities	75,236	60,764	626,967
NET ASSETS			
Net assets:			
Shareholders' equity (Note 9):			
Common stock:			
Authorized: 300,000,000 shares			
Issued: 93,767,317 shares at March 31, 2015 and 2014	12,534	12,534	104,450
Additional paid-in capital	14,566	14,566	121,383
Retained earnings	75,239	67,406	626,992
Treasury stock, at cost (Note 10): 6,941,786 shares at March 31, 2015 and 1,077,349 shares at March 31, 2014	(7,827)	(1,079)	(65,225)
Total shareholders' equity	94,512	93,427	787,600
Accumulated other comprehensive income:			
Net unrealized gains on securities	2,435	1,538	20,292
Deferred gains or losses on hedges	—	(2)	—
Foreign currency translation adjustments	(3,540)	(9,864)	(29,500)
Remeasurements of defined benefit plans	(86)	(529)	(717)
Total accumulated other comprehensive income	(1,191)	(8,857)	(9,925)
Stock acquisition rights (Note 16)	56	36	466
Minority interests	11,243	8,895	93,692
Total net assets	104,620	93,501	871,833
Total	¥179,856	¥154,265	\$1,498,800

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Net sales	¥165,297	¥147,054	\$1,377,475
Operating cost and expenses:			
Cost of sales	129,548	114,245	1,079,567
Selling, general and administrative expenses	22,261	19,938	185,508
Total operating costs and expenses	151,809	134,183	1,265,075
Operating income	13,488	12,871	112,400
Other income (expenses):			
Interest and dividend income	1,083	793	9,025
Interest expense	(86)	(79)	(717)
Rent income	184	151	1,533
Foreign currency exchange gain, net	182	388	1,517
Other, net	(25)	63	(208)
	1,338	1,316	11,150
Special items:			
Gain on sales of property, plant and equipment	4	8	33
Gain on sales of investment securities	84	—	700
Loss on sales and disposal of property, plant and equipment	(34)	(26)	(283)
Write-down of an unconsolidated subsidiary's investment	(4)	(34)	(33)
Impairment loss on fixed assets	(70)	—	(584)
Loss on sales of investment securities	—	(0)	—
Write-down of investment securities (Note 4)	—	(4)	—
Special extra retirement payments	—	(147)	—
	(20)	(203)	(167)
Income before income taxes and minority interests	14,806	13,984	123,383
Income taxes (Note 6):			
Current	4,428	5,032	36,900
Deferred	(109)	(688)	(909)
Total income taxes	4,319	4,344	35,991
Income before minority interests	10,487	9,640	87,392
Minority interests in net income of consolidated subsidiaries	2,131	1,976	17,759
Net income	¥ 8,356	¥ 7,664	\$ 69,633

Per share:	Yen		U.S. Dollars (Note 1)
	2015	2014	2015
Net income, based on the weighted average number of shares outstanding	¥ 90.84	¥ 82.32	\$ 0.76
Deluted net income, based on the weighted average number of shares outstanding	90.79	82.31	0.76
Cash dividends applicable to the year	24.00	22.00	0.20

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Income before minority interests	¥10,487	¥ 9,640	\$ 87,392
Other comprehensive income (Note 3):			
Net unrealized gains on securities	898	517	7,483
Deferred gains or losses on hedges	2	(2)	17
Foreign currency translation adjustments	7,513	9,295	62,608
Remeasurements of defined benefit plans	443	—	3,692
Other comprehensive income, net	8,856	9,810	73,800
Comprehensive income	¥19,343	¥19,450	\$161,192
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	16,022	15,904	133,517
Comprehensive income attributable to minority interests	3,321	3,546	27,675

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Thousands	Millions of Yen				
	Number of shares of common stock issued	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total	
Balance at April 1, 2013	93,767	¥12,534	¥14,566	¥61,520	¥ (135)	¥88,485
Cash dividends				(1,778)		(1,778)
Net income			7,664			7,664
Purchase of treasury stock				(1,012)		(1,012)
Disposal of treasury stock				68		68
Net change in the year						
Balance at April 1, 2014	93,767	12,534	14,566	67,406	(1,079)	93,427
Cumulative effects of changes in accounting policies				1,816		1,816
Restated balance		12,534	14,566	69,222	(1,079)	95,243
Cash dividends				(2,339)		(2,339)
Net income				8,356		8,356
Purchase of treasury stock				(6,894)		(6,894)
Disposal of treasury stock				146		146
Net change in the year						
Balance at March 31, 2015	93,767	¥12,534	¥14,566	¥75,239	¥(7,827)	¥94,512

	Millions of Yen							
	Accumulated other comprehensive income							
	Net unrealized gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2013	¥1,021	¥ —	¥(17,589)	¥ —	¥(16,568)	¥ —	¥ 6,355	¥ 78,272
Cash dividends								(1,778)
Net income								7,664
Purchase of treasury stock								(1,012)
Disposal of treasury stock								68
Net change in the year	517	(2)	7,725	(529)	7,711	36	2,540	10,287
Balance at April 1, 2014	1,538	(2)	(9,864)	(529)	(8,857)	36	8,895	93,501
Cumulative effects of changes in accounting policies								1,816
Restated balance	1,538	(2)	(9,864)	(529)	(8,857)	36	8,895	95,317
Cash dividends								(2,339)
Net income								8,356
Purchase of treasury stock								(6,894)
Disposal of treasury stock								146
Net change in the year	897	2	6,324	443	7,666	20	2,348	10,034
Balance at March 31, 2015	¥2,435	¥ —	¥ (3,540)	¥ (86)	¥ (1,191)	¥ 56	¥11,243	¥104,620

	Thousands	Thousands of U.S. Dollars (Note 1)				
	Number of shares of common stock issued	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total	
Balance at April 1, 2014	93,767	\$104,450	\$121,383	\$561,716	\$ (8,991)	\$778,558
Cumulative effects of changes in accounting policies				15,134		15,134
Restated balance		104,450	121,383	576,850	(8,991)	793,692
Cash dividends				(19,491)		(19,491)
Net income				69,633		69,633
Purchase of treasury stock				(57,450)		(57,450)
Disposal of treasury stock				1,216		1,216
Net change in the year						
Balance at March 31, 2015	93,767	\$104,450	\$121,383	\$626,992	\$(65,225)	\$787,600

	Thousands of U.S. Dollars (Note 1)							
	Accumulated other comprehensive income							
	Net unrealized gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2014	\$12,817	\$(17)	\$(82,200)	\$(4,408)	\$(73,808)	\$300	\$74,125	\$779,175
Cumulative effects of changes in accounting policies								15,134
Restated balance	12,817	(17)	(82,200)	(4,408)	(73,808)	300	74,125	794,309
Cash dividends								(19,491)
Net income								69,633
Purchase of treasury stock								(57,450)
Disposal of treasury stock								1,216
Net change in the year	7,475	17	52,700	3,691	63,883	166	19,567	83,616
Balance at March 31, 2015	\$20,292	\$ —	\$(29,500)	\$ (717)	\$ (9,925)	\$466	\$93,692	\$871,833

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	
Cash flows from operating activities:			
Income before income taxes and minority interests	¥14,806	¥13,984	\$123,383
Depreciation and amortization	2,373	2,237	19,775
Increase in allowance for doubtful accounts	23	101	192
Increase in provision for bonuses to employees	171	336	1,425
Increase in provision for losses on construction contracts	937	1,719	7,808
Interest and dividends income	(1,083)	(793)	(9,025)
Interest expense	86	79	717
Increase in trade notes and accounts receivable	(7,102)	(5,929)	(59,183)
Decrease (increase) in inventories	1,137	(3,403)	9,475
Increase in trade notes and accounts payable	1,726	1,105	14,383
(Gain) loss on sales of investment securities, net	(84)	0	(700)
Write-down of investment securities, net	—	4	—
Increase in advances from customers	2,878	2,515	23,983
Gain on sales of property, plant and equipment	(2)	(7)	(17)
Loss on disposal of property, plant and equipment	32	25	267
Decrease in net defined benefit liability	(252)	(208)	(2,100)
Other, net	1,137	892	9,475
Sub-total	16,783	12,657	139,858
Payment of income taxes	(6,030)	(3,363)	(50,250)
Net cash provided by operating activities	10,753	9,294	89,608
Cash flows from investing activities:			
Decrease (increase) in time deposits, net	1,651	(974)	13,758
Acquisitions of property, plant and equipment	(3,867)	(2,007)	(32,225)
Proceeds from sales of property, plant and equipment	11	28	92
Purchase of intangible assets	(325)	(292)	(2,708)
Proceeds from sales of investment securities	179	100	1,492
Collection of loans receivable	1,856	272	15,467
Interest and dividends income received	1,079	760	8,991
Other, net	(1,203)	(542)	(10,025)
Net cash used in investing activities	(619)	(2,655)	(5,158)
Cash flows from financing activities:			
Increase (decrease) in short-term debt, net	7,079	(189)	58,992
Proceeds from long-term debt	523	1,722	4,358
Repayment of long-term debt	(711)	(1,568)	(5,925)
Repayment of lease obligations	—	(4)	—
Purchase of treasury stock	(6,894)	(1,012)	(57,450)
Payment of interest	(81)	(75)	(675)
Cash dividends paid	(2,338)	(1,777)	(19,483)
Cash dividends paid to minority shareholders	(956)	(827)	(7,967)
Repayment to a minority shareholders	(3)	(172)	(25)
Other, net	156	79	1,300
Net cash used in financing activities	(3,225)	(3,823)	(26,875)
Effect of exchange rate changes on cash and cash equivalents	2,790	2,568	23,250
Net increase in cash and cash equivalents	9,699	5,384	80,825
Cash and cash equivalents at beginning of year	20,903	15,519	174,192
Cash and cash equivalents at end of year	¥30,602	¥20,903	\$255,017

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

1. Basis of Presentation

The accompanying consolidated financial statements of Fujitec Co., Ltd. (the "Company") and its consolidated subsidiaries have been restructured and translated into English from the consolidated financial statements issued domestically, prepared in accordance with accounting principles generally accepted in Japan and filed with the Financial Services Agency, as required by the Financial Instruments and Exchange Act of Japan. For the purpose of this Annual Report, certain reclassifications have been made to present the accompanying financial statements in a form more familiar to readers outside Japan.

U.S. dollar amounts, included in the accompanying consolidated financial statements solely for the convenience of readers, have been arithmetically translated from all yen amounts on a basis of ¥120=\$1, the prevailing exchange rate as of March 31, 2015. The translation should not be construed as a representation that yen could be converted into U.S. dollars at the above or any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of consolidation

The consolidated financial statements as of March 31, 2015 and 2014 include the accounts of the Company and the following 19 significant subsidiaries (together the "Companies").

Fujitec America, Inc. (U.S.A.)
Fujitec Canada, Inc. (Canada)
Fujitec UK Ltd. (United Kingdom)
Fujitec Deutschland GmbH (Germany)
Fujitec Singapore Corpn. Ltd. (Singapore)
FSP Pte. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (Malaysia) Sdn. Bhd. (Malaysia)
Fujitec Holdings Sdn. Bhd. (Malaysia)
Fujitec M&E Sdn. Bhd. (Malaysia)
Fujitec India Private Ltd. (India)
Fujitec (Thailand) Co., Ltd. (Thailand)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
Fujitec Shanghai Sourcing Center Co., Ltd. (China)
Fujitec (HK) Co., Ltd. (Hong Kong)
Rich Mark Engineering Limited (Hong Kong)
Fujitec Taiwan Co., Ltd. (Taiwan)
Fujitec Korea Co., Ltd. (Korea)

The closing date of the above consolidated subsidiaries is December 31.

In preparing the consolidated financial statements, using consolidated subsidiaries' accounts based on their own closing dates, the necessary adjustments have been made for the significant intercompany transactions incurred from the consolidated subsidiaries' closing date to the consolidated balance sheet date.

All significant intercompany transactions and accounts have been eliminated. Investments in unconsolidated subsidiaries (more than 50% owned) and affiliates (20% to 50% owned) are carried at cost due to their immateriality as a whole. If a decline in value below the cost of an individual security is judged to be material, and other than temporary, the carrying value of the individual security is written down.

(B) Translation of foreign currency transactions

Every monetary asset and liability denominated in foreign currency is translated into Japanese yen at the rate of exchange in effect at each individual balance sheet date, and the resulting exchange gains or losses are recognized in the consolidated statements of income.

(C) Translation of consolidated foreign subsidiaries' accounts

All assets and liabilities of foreign consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at their balance sheet date. When a significant change in exchange rate occurs between the foreign consolidated subsidiaries' balance sheet date and the consolidated balance sheet date, their assets and liabilities are translated into Japanese yen at the exchange rates in effect at the consolidated balance sheet date. The items of shareholders' equity are translated at the historical rates at the dates of acquisition, and profit and loss accounts are translated into Japanese yen at the annual average rates.

Any resulting foreign currency translation differences are shown as "Foreign currency translation adjustments" and "Minority interests" in a separate component of net assets.

(D) Cash and cash equivalents

Cash and cash equivalents on the consolidated statements of cash flows are composed of cash on hand, deposits on demand placed at banks and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

(E) Investments in securities

The Companies classify their securities into equity investments in unconsolidated subsidiaries and affiliates, or other securities that are not classified in any of the above categories.

Investments in unconsolidated subsidiaries and affiliates are valued at cost, as determined by the moving-average method. Marketable equity securities and debt securities not classified as held-to-maturity are classified as other securities.

Other securities with a fair market value are stated at fair value with unrealized gains and losses, net of tax, reported as a separate component of net assets. Realized gains and losses, and significant declines in value judged to be other than temporary on those securities, are charged to income.

Other securities without a fair market value are stated at cost, as determined by the moving-average method.

(F) Inventories

Inventories are generally stated at cost determined by the specific identification method or the moving-average method. (Balance sheet amounts are written down based on any decline in profitability.)

(G) Property, plant and equipment, and depreciation

Property, plant and equipment, including significant renewals and additions, are stated at cost.

Depreciation is mainly computed by the declining-balance method. A part of the foreign consolidated subsidiaries uses the straight-line method.

Buildings of the Company which were acquired on or after April 1, 1998 are depreciated by the straight-line method, while the depreciation for buildings was computed by the declining-balance method until the year ended March 31, 1998.

The estimated useful life for depreciation:

Buildings and structures: 3 to 50 years

Machinery, vehicles, tools, furniture and fixtures: 2 to 20 years

(H) Goodwill and other intangible assets

Goodwill is amortized on a straight-line basis over a period of 20 years for consolidation.

Other intangible assets are stated at cost determined by the straight-line method. Own-use software is stated at cost determined by the straight-line method over its estimated useful life (5 years).

(I) Impairment of long-lived assets

The Company has adopted the Japanese accounting standard "Accounting Standard for Impairment of Fixed Assets" and evaluates the carrying value of long-lived assets to be held for use in the business. If the carrying value of a long-lived asset is impaired, a loss is recognized based on the amount by which the carrying value exceeds its recoverable amount. The recoverable amount is the higher of the net selling price or the value in use of the assets, which is determined as the discounted cash flows generated from continuing use of the individual asset or the asset's group.

(J) Income taxes

Income taxes comprise corporate income tax, inhabitant tax and enterprise tax. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases.

(K) Provisions

(1) Allowance for doubtful accounts

An allowance for doubtful accounts is stated to provide against the bad debt loss of accounts receivable and loans receivable, etc. An allowance for general receivables is calculated by the percentage-of-receivables method, and doubtful receivables are estimated by analysis of specific individual receivables.

(2) Provision for bonuses to employees

Provision for bonuses to employees is calculated on an accrual basis for the financial year on the expected amount to be paid to the employees.

(3) Provision for bonuses to directors

Provision for bonuses to directors is calculated on an accrual basis for the financial year on the expected amount to be paid to the directors.

(4) Provision for losses on construction contracts

When it is estimated reliably that the total construction costs will exceed total construction revenue, an estimated loss on the contract is recognized by providing for losses on construction contracts.

(5) Provision for warranties for completed construction

Provision for warranties for completed construction is recognized at an estimated amount of compensation to be incurred in the future for completed construction.

(L) Accounting method for retirement benefits

(1) Period allocation method for the estimated retirement benefit amount

Retirement benefit obligations are calculated by allocating the estimated retirement benefit amount until the end of the current consolidated fiscal year on a benefit formula basis.

(2) Amortization of actuarial gains and losses and prior service costs

Unrecognized actuarial gains or losses are amortized beginning in the following consolidated fiscal year by the straight-line method over a specified number of years (10 years) within the average remaining service period of employees at the time the difference arose.

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

For certain consolidated subsidiaries, a simplified method is applied for the calculation of net defined benefit liability and retirement benefit expenses in which the necessary retirement benefit provisions for voluntary resignations at the end of the consolidated fiscal year are recorded as retirement benefit obligations.

(M) Derivative and hedging activities

The Companies use derivative financial instruments including foreign currency exchange forward contracts and interest rate swap contracts, in order to hedge the risk of fluctuations in foreign currency exchange rates and interest rates, not to enter into derivatives for trading or speculative purposes.

All derivatives, except for those which meet deferral hedge accounting requirements, are stated at fair value and recognized as either assets or liabilities, and gains or losses on derivative transactions are recognized in earnings.

When the derivative financial instruments have high correlation and effectiveness between the hedging instrument and the hedged item, deferral hedge accounting applies to them, and the gains or losses are deferred until maturity of the hedged transaction.

Because the counterparties to the derivatives are limited to major international financial institutions, the Companies do not anticipate any losses arising from credit risk.

(N) Leases

Finance leases, other than those which are deemed to transfer the ownership of leased assets to the lessee, are accounted for in a way similar to purchases, and depreciation for lease assets is computed using the straight-line method with zero residual value over the lease term.

(O) Revenue recognition

The Company applies the percentage-of-completion method if the outcome of a construction contract can be estimated reliably. Otherwise, the completed-contract method is applied. The percentage of construction progress is estimated based on the percentage of the cost incurred to the estimated total cost.

Generally, foreign subsidiaries record income from construction contracts using the percentage-of-completion method.

Maintenance services not covered by warranty are provided on a fee basis and revenues from such services are included in net sales.

Currently the Company and its foreign subsidiaries recognize the total estimated loss when estimates indicate that a loss will be incurred on a contract.

(P) Research and development costs

Research and development costs are charged against income as incurred.

(Q) Net income and cash dividends per share

Net income per share of common stock is computed by net income available to common shareholders divided by the weighted average number of shares of common stock outstanding during each year.

Diluted net income per share assumes the dilution that would occur if stock acquisition rights were exercised.

Cash dividends per share represent actual amounts applicable to the respective years for which the dividends were proposed by the Board of Directors of the Company. Dividends are charged to retained earnings in the year which they are paid.

(R) Reclassification of accounts

Certain reclassifications have been made in the 2014 financial statements to conform to the presentation in 2015.

(S) Changes in accounting policies, procedures and presentation in preparation of the consolidated financial statements

Adoption of “Accounting Standard for Retirement Benefits”

The Company has adopted the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued March 26, 2015) pursuant to the provisions in the text of Article 35 of the Accounting Standard for Retirement Benefits and the text of Article 67 of the Guidance on Accounting Standard for Retirement Benefits from the end of the fiscal year ended March 31, 2015.

Under this accounting standard, the Company reviewed the calculation methods of retirement benefit obligations and service costs, changed the method of attributing expected retirement benefits from a straight-line basis to a benefit formula basis and changed the method of determining the discount rate from the discount rate based on the average remaining service period of employees to a single weighted average discount rate.

Regarding the adoption of the standard for retirement benefits, in accordance with the transitional treatment stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the impact of the change was recorded in retained earnings at the beginning of the current consolidated fiscal year.

As a result, net defined benefit liability decreased by ¥2,821 million (US\$23,508 thousand) and retained earnings increased by ¥1,816 million (US\$15,134 thousand) at the beginning of the consolidated fiscal year ended March 31, 2015, while operating income, ordinary income and income before income taxes and minority interests for the consolidated fiscal year ended March 31, 2015 decreased by ¥60 million (US\$500 thousand).

Adoption of “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts”

The Company has adopted the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ Practical Issue Task Force No. 30 issued on March 26, 2015) from the fiscal year ended March 31, 2015.

Profit or loss related to sales of shares by the trust to the employee shareholding association, dividends paid by the Company on shares held by the trust and net expenses related to the trust are included by the Company as liabilities. There is no impact of this change in the accounting policy.

(T) Additional information

Transactions to transfer the Company’s shares to the employees through a trust

To enhance employee benefits and welfare, the Company conducts the transactions of delivering its own shares to the employee shareholding association through a trust.

(1) Outline of the transactions

The Company established a trust on September 25, 2013, beneficiaries of which shall be employees who belong to “Fujitec’s Employee Shareholding Association” (the “Association”) and meet certain requirements. The trust will, within a time period to be fixed in advance, purchase a certain number of the Company’s shares, which the Association is expected to purchase for six years from September 2013. Subsequently, the trust will sell those shares to the Association each month at a certain fixed date.

(2) The Company’s shares remaining in the trust

The Company’s shares remaining in the trust are recorded as treasury stock under net assets through the book value (excluding associated costs) in the trust. The book value and number of treasury stock in the trust as of March 31, 2015 and 2014 were ¥784 million (US\$6,533 thousand) and 727 thousand shares, and ¥930 million and 862 thousand shares, respectively.

(3) The book value of loans recorded using the gross price method as of March 31, 2015 and 2014 was ¥748 million (US\$6,233 thousand) and ¥919 million, respectively.

3. Other Comprehensive Income

Reclassification adjustments and tax effect of each component of other comprehensive income for the years ended March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Net unrealized gains on securities:			
Arising during the fiscal year	¥1,190	¥ 799	\$ 9,917
Reclassification adjustment	—	4	—
Sub-total, before tax	1,190	803	9,917
Tax effect	(292)	(286)	(2,434)
Net unrealized gains on securities	898	517	7,483
Deferred gains or losses on hedges:			
Arising during the fiscal year	—	(2)	—
Reclassification adjustment	2	—	17
Sub-total, before tax	2	(2)	17
Tax effect	—	—	—
Deferred gains or losses on hedges	2	(2)	17
Foreign currency translation adjustments:			
Arising during the fiscal year	7,513	9,295	62,608
Reclassification adjustment	—	—	—
Sub-total, before tax	7,513	9,295	62,608
Tax effect	—	—	—
Foreign currency translation adjustments	7,513	9,295	62,608
Remeasurements of defined benefit plans			
Arising during the fiscal year	523	—	4,358
Reclassification adjustment	172	—	1,434
Sub-total, before tax	695	—	5,792
Tax effect	(252)	—	(2,100)
Remeasurements of defined benefit plans	443	—	3,692
Total other comprehensive income	¥8,856	¥9,810	\$73,800

4. Investment Securities

Available-for-sale securities at March 31, 2015 and 2014 are summarized as follows:

	Millions of Yen							
	2015				2014			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	¥3,358	¥3,553	¥ 12	¥6,899	¥2,754	¥2,385	¥ 34	¥5,105
Total	¥3,358	¥3,553	¥ 12	¥6,899	¥2,754	¥2,385	¥ 34	¥5,105

	Thousands of U.S. Dollars (Note1)			
	2015			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	\$27,983	\$29,608	\$100	\$57,491
Total	\$27,983	\$29,608	\$100	\$57,491

The carrying amounts of equity securities whose fair value is not readily determinable are ¥123 million (US\$1,025 thousand) and ¥123 million for the years ended March 31, 2015 and 2014, respectively.

5. Inventories

Inventories at March 31, 2015 and 2014 are comprised of the following

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Finished goods and semi-finished goods	¥ 6,333	¥ 4,841	\$ 52,775
Work in process	6,403	7,060	53,358
Raw materials and supplies	7,818	8,029	65,150
Total	¥20,554	¥19,930	\$171,283

6. Income Taxes

The Company is subject to corporate income tax, inhabitant tax and enterprise tax, based on income which, in the aggregate, indicates a normal statutory tax rate of approximately 35.64% and 38.01% for the years ended March 31, 2015 and 2014, respectively. Income tax rates of the consolidated foreign subsidiaries range from 16.5% to 34.0% for the years ended March 31, 2015 and 2014.

(1) The major components of deferred tax assets and liabilities at March 31, 2015 and 2014 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Deferred tax assets:			
Net defined benefit liability	¥ 248	¥ 1,565	\$ 2,067
Provision for bonuses to employees	586	590	4,883
Provision for losses on construction contracts	1,738	1,562	14,483
Allowance for doubtful accounts	614	312	5,117
Tax loss carryforwards	4,200	3,737	35,000
Other	1,247	1,572	10,392
Total deferred tax assets	8,633	9,338	71,942
Less: valuation allowance	(5,164)	(4,818)	(43,034)
Total deferred tax assets	3,469	4,520	28,908
Deferred tax liabilities:			
Unrealized gains on securities	(1,105)	(812)	(9,208)
Dividends income received from subsidiaries	(38)	(31)	(317)
Other	(295)	(236)	(2,458)
Total deferred tax liabilities	(1,438)	(1,079)	(11,983)
Net deferred tax assets	¥ 2,031	¥ 3,441	\$ 16,925

Net deferred tax assets and liabilities presented in the consolidated balance sheets at March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Current assets—Deferred tax assets	¥ 3,135	¥ 2,844	\$ 26,125
Other assets—Deferred tax assets	29	736	242
Current liabilities—Deferred tax liabilities	—	—	—
Non-current liabilities—Deferred tax liabilities	(1,133)	(139)	(9,442)
Net deferred tax assets	¥ 2,031	¥ 3,441	\$ 16,925

(2) A reconciliation between the Company's statutory tax rate and the effective income tax rate at March 31, 2015 and 2014 is as follows:

	2015	2014
Statutory tax rate	35.64 %	38.01 %
Non-deductible expenses	0.13	0.13
Valuation allowance for deferred tax assets	1.72	1.66
Per capita inhabitant tax	0.81	0.86
Net loss of consolidated subsidiaries	(1.60)	(0.90)
Effect of foreign tax rate differences	(8.64)	(10.62)
Difference of change in tax rate	1.17	—
Other	(0.06)	1.92
Effective tax rate	29.17 %	31.06 %

(3) Change in the statutory effective tax rate

The "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and the "Act for Partial Amendment of the Local Tax Act, etc." (Act No. 2 of 2015) were promulgated on March 31, 2015 and the corporate income tax rate was reduced from the fiscal year beginning April 1, 2015. As a result, the statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 35.64% to 33.10% for the temporary differences expected to be realized in the fiscal year beginning April 1, 2015, and to 32.34% for those expected to be realized from the fiscal year beginning April 1, 2016.

The effect of the reduction of the effective statutory tax rate decreased deferred tax assets after offsetting deferred tax liabilities by ¥96 million (US\$800 thousand) and increased deferred income taxes, net unrealized gains on securities and remeasurements of defined benefit plans by ¥205 million (US\$1,708 thousand), ¥112 million (US\$933 thousand) and minus ¥4 million (minus US\$33 thousand), respectively, as of and for the fiscal year ended March 31, 2015.

7. Short-term Debt and Long-term Debt

Short-term debt represents notes payable mainly to banks with the weighted average interest rate of 0.58% per annum at March 31, 2015 and 2.21% per annum at March 31, 2014.

(1) Long-term debt at March 31, 2015 and 2014 consists of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Loans, mainly from banks and insurance companies due through 2020 at weighted average interest rates of 0.88% in 2015 and 2014.	¥ 1,731	¥ 1,779	\$ 14,424
	1,731	1,779	14,424
Less, portion due within one year	352	508	2,933
	¥ 1,379	¥ 1,271	\$ 11,491

(2) The aggregate annual maturities of long-term debt outstanding as of March 31, 2015 are as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2016	¥352	\$2,933
2017	592	4,933
2018	18	150
2019	18	150
2020	3	25
Total	¥983	\$8,191

Notes: (1) Long-term debt for the ESOP in the amount of ¥748 million (US\$6,233 thousand) is excluded from the total amounts.
(2) As of March 31, 2015, the following assets and liabilities are pledged as collateral for transactions with a bank:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Property, plant and equipment (at net book value) and other assets	¥1,679	\$13,992
Short-term debt	—	—

8. Leases

The amounts related to non-cancellable operating lease assets at March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Future minimum lease payments:			
Due within one year	¥140	¥173	\$ 1,167
Due after one year	149	258	1,242
Total	¥289	¥431	\$2,409

9. Shareholders' Equity

Under the Corporate Law of Japan (the "Companies Act"), the entire amount paid for new shares must be designated as common stock. However, a company may, by resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital.

The Companies Act provides that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital, depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions by resolution of the shareholders.

10. Treasury Stock

Increase and decrease in treasury stock for the years ended March 31, 2015 and 2014 are summarized as follows:

	Number of shares (Thousands)			
	2015			
	April 1, 2014	Increase	Decrease	March 31, 2015
Treasury stock*1	1,077	6,000	135	6,942

	Number of shares (Thousands)			
	2014			
	April 1, 2013	Increase	Decrease	March 31, 2014
Treasury stock*2	203	937	63	1,077

*1 The increase in the number of shares of treasury stock consists mainly of 6,000 thousand shares due to the purchase of shares based on the resolution of the Board of Directors meeting held on February 12, 2015. The decrease in the number of shares of treasury stock of 135 thousand shares is due to sales of shares by the ESOP Trust supporting the employee shareholding association to the Company's employee shareholding association.

*2 The increase in the number of shares of treasury stock consists of 926 thousand shares due to introduction of the ESOP Trust supporting the employee shareholding association and 11 thousand shares due to the purchase of fractional shares of less than one voting unit. The decrease in the number of shares of treasury stock of 63 thousand shares is due to sales of shares by the ESOP Trust supporting the employee shareholding association to the Company's employee shareholding association.

11. Retirement Benefits

The Company and its consolidated subsidiaries adopt funded and non-funded defined benefit plans, and defined contribution plans, which cover substantially all employees.

The Company adopts defined benefit pension plans and lump-sum severance payment plans. Its consolidated subsidiaries adopt mainly lump-sum severance payment plans and defined contribution pension plans.

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

1. Defined benefit plans

(1) Changes to the balance of retirement benefit obligations at the beginning and end of the period as of March 31, 2015 and 2014 (except adoption of the simplified accounting method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Beginning balance of retirement benefit obligations	¥13,415	¥13,004	\$111,792
Cumulative effects of changes in accounting policies	(2,821)	—	(23,508)
Restated balance	¥10,594	¥13,004	\$ 88,284
Service cost	760	637	6,333
Interest cost	159	195	1,325
Actuarial gains and losses	209	135	1,742
Retirement benefits paid	(667)	(559)	(5,558)
Prior service costs	0	0	0
Other	4	3	33
End balance of retirement benefit obligations	¥11,059	¥13,415	\$ 92,159

(2) Changes to the balance of pension assets at the beginning and end of the period as of March 31, 2015 and 2014 (except adoption of the simplified accounting method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Beginning balance of pension assets	¥ 9,373	¥8,202	\$78,109
Expected return on plan assets	187	164	1,558
Actuarial gains and losses	731	444	6,092
Employer contribution	946	941	7,883
Retirement benefits paid	(417)	(378)	(3,475)
End balance of pension assets	¥10,820	¥9,373	\$90,167

(3) Changes to the balance of net defined benefit liability at the beginning and end of the period as of March 31, 2015 and 2014 (only adoption of the simplified accounting method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Beginning balance of net defined benefit liability	¥748	¥541	\$6,233
Retirement benefit expenses	124	98	1,033
Retirement benefits paid	(85)	(26)	(708)
Contribution to plan	—	(0)	—
Other	77	135	642
End balance of net defined benefit liability	¥864	¥748	\$7,200

(4) Changes to the balance of retirement benefit obligations and pension assets at the end of the period as of March 31, 2015 and 2014, and net defined benefit liability and asset recorded in the consolidated balance sheets (included adoption of the simplified accounting method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Funded retirement benefit obligations	¥ 8,891	¥10,784	\$ 74,092
Pension assets	(10,820)	(9,373)	(90,167)
	(1,929)	1,411	(16,075)
Non-funded retirement benefit obligations	3,032	3,379	25,267
Net liabilities and assets recorded in the consolidated balance sheets	1,103	4,790	9,192
Net defined benefit liability	1,103	4,790	9,192
Net defined benefit asset	—	—	—
Net liabilities and assets recorded in the consolidated balance sheets	¥ 1,103	¥ 4,790	\$ 9,192

(5) Retirement benefit expenses and the breakdown of amounts

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Service cost	¥ 760	¥ 637	\$ 6,333
Interest cost	159	195	1,325
Expected return on plan assets	(187)	(164)	(1,558)
Amortization of actuarial gains and losses	170	171	1,417
Amortization of prior service costs	2	2	17
Retirement benefit expenses calculated by the simplified accounting method	124	98	1,033
Retirement benefit expenses under defined benefit plans	¥1,028	¥ 939	\$ 8,567

(6) Remeasurements of defined benefit plans

The breakdown of items recorded in remeasurements of defined benefit plans (before deduction of tax effects) as of March 31, 2015 and 2014 is as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Prior service costs	¥ 2	¥ —	\$ 17
Actuarial gains and losses	693	—	5,775
Total	¥695	¥ —	\$5,792

(7) Accumulated remeasurements of defined benefit plans

The breakdown of items recorded in accumulated remeasurements of defined benefit plans (before deduction of tax effects) as of March 31, 2015 and 2014 is as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Unrecognized prior service costs	¥ 13	¥ 15	\$ 108
Unrecognized actuarial gains and losses	114	807	950
Total	¥127	¥822	\$1,058

(8) Items related to pension assets

(A) Breakdown of main items

Ratio for each main classification for total pension assets

	2015	2014
Bonds	53%	51%
Equity securities	28	34
General accounts	10	10
Other	9	5
Total	100%	100%

(B) Method for determining expected long-term rate of return

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

(9) Items related to the basis for actuarial calculation

Main basis for actuarial calculation as of March 31, 2015 and 2014 is as follows:

	2015	2014
Discount rate	1.5%	1.5%
Expected long-term rate of return	2.0%	2.0%

2. Defined contribution plans

Required contributions to defined contribution plans by the Company and its consolidated subsidiaries for the years ended March 31, 2015 and 2014 are ¥80 million (US\$667 thousand) and ¥77 million, respectively.

12. Research and Development Costs

Research and development costs for the years ended March 31, 2015 and 2014 are ¥2,023 million (US\$16,858 thousand) and ¥1,976 million, respectively.

13. Segment Information

(1) Description of reporting segments

The Companies' reporting segments are components for which separate financial information is available, and whose operating results are reviewed regularly by the chief operating decision maker in order for the Board of Directors to determine allocation of resources and assess segment performance.

The Companies mainly manufacture, sell, install and maintain elevators and escalators. The Company takes charge of the domestic market, and overseas, each of the independent local subsidiaries is responsible for markets in North America (U.S.A. and Canada), Europe (United Kingdom and Germany), South Asia (mainly Singapore) and East Asia (China, Hong Kong, Taiwan and Korea). Each regional business unit develops comprehensive strategies for selling products and operating its business.

Therefore, the Fujitec Group is composed of regional segments based on the consistent system of manufacturing, sales, installation and maintenance, and has five reporting segments: Japan, North America, Europe, South Asia and East Asia.

(2) Methods of measurement for sales, profit (loss), assets and other items for reporting segments

The amount of segment profit (loss) corresponds to its operating income. Intersegment sales and transfer prices are calculated mainly based on market value or manufacturing cost.

(3) Information on amounts of sales, profit (loss), assets and other items by reporting segment for the years ended March 31, 2015 and 2014 is summarized as follows:

Millions of Yen								
2015								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Sales to customers	¥61,867	¥17,716	¥595	¥15,499	¥69,620	¥165,297	¥ —	¥165,297
Intersegment sales	3,647	20	6	0	6,621	10,294	(10,294)	—
Total sales	65,514	17,736	601	15,499	76,241	175,591	(10,294)	165,297
Segment expenses	60,365	18,318	602	13,940	68,913	162,138	(10,329)	151,809
Segment profit (loss)	5,149	(582)	(1)	1,559	7,328	13,453	35	13,488
Segment assets	82,753	8,796	519	14,909	96,352	203,329	(23,473)	179,856
Other items:								
Depreciation and amortization . .	1,473	86	3	134	677	2,373	—	2,373
Amortization of goodwill	—	106	—	—	8	114	—	114
Increase in property, plant and equipment and intangible assets	1,562	50	6	79	2,714	4,411	—	4,411

Millions of Yen								
2014								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Sales to customers	¥58,502	¥14,133	¥668	¥13,023	¥60,728	¥147,054	¥ —	¥147,054
Intersegment sales	3,905	33	5	1	5,636	9,580	(9,580)	—
Total sales	62,407	14,166	673	13,024	66,364	156,634	(9,580)	147,054
Segment expenses	57,802	14,192	668	11,245	59,694	143,601	(9,418)	134,183
Segment profit (loss)	4,605	(26)	5	1,779	6,670	13,033	(162)	12,871
Segment assets	78,443	6,884	541	13,081	73,684	172,633	(18,368)	154,265
Other items:								
Depreciation and amortization . .	1,485	85	2	96	569	2,237	—	2,237
Amortization of goodwill	—	98	—	—	—	98	—	98
Increase in property, plant and equipment and intangible assets	1,185	18	1	131	1,039	2,374	—	2,374

Thousands of U.S. Dollars (Note 1)

	2015							Reconciliations	Consolidated
	Reporting Segment								
	Japan	North America	Europe	South Asia	East Asia	Total			
Sales to customers	\$515,559	\$147,633	\$4,958	\$129,158	\$580,167	\$1,377,475	\$ —	\$1,377,475	
Intersegment sales	30,391	167	50	0	55,175	85,783	(85,783)	—	
Total sales	545,950	147,800	5,008	129,158	635,342	1,463,258	(85,783)	1,377,475	
Segment expenses	503,042	152,650	5,016	116,167	574,275	1,351,150	(86,075)	1,265,075	
Segment profit (loss)	42,908	(4,850)	(8)	12,991	61,067	112,108	292	112,400	
Segment assets	689,608	73,300	4,325	124,242	802,933	1,694,408	(195,608)	1,498,800	
Other items:									
Depreciation and amortization . .	12,275	716	25	1,117	5,642	19,775	—	19,775	
Amortization of goodwill	—	883	—	—	67	950	—	950	
Increase in property, plant and equipment and intangible assets	13,016	417	50	658	22,617	36,758	—	36,758	

Notes: (1) Description of reconciliations is as follows:

a) Reconciliations of segment profit (loss) for the years ended March 31, 2015 and 2014 were ¥35 million (US\$292 thousand) and minus ¥162 million, respectively, consisting of intersegment transaction eliminations of ¥62 million (US\$517 thousand) and ¥25 million and adjustment of inventories of minus ¥27 million (minus US\$225 thousand) and minus ¥187 million, respectively.

b) Reconciliations of segment assets for the years ended March 31, 2015 and 2014 were minus ¥23,473 million (minus US\$195,608 thousand) and minus ¥18,368 million, respectively, consisting of intersegment transaction eliminations of minus ¥23,286 million (minus US\$194,050 thousand) and minus ¥18,192 million and adjustment of inventories of minus ¥187 million (minus US\$1,558 thousand) and minus ¥176 million, respectively.

(2) Segment income (loss) is adjusted with operating income in the consolidated statements of income.

(4) Information related to reporting segment

(A) Sales by geographical area are as follows:

Millions of Yen						
2015						
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	¥61,508	¥18,272	¥16,315	¥67,252	¥1,950	¥165,297

Millions of Yen						
2014						
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	¥58,339	¥15,063	¥13,726	¥58,073	¥1,853	¥147,054

Thousands of U.S. Dollars (Note 1)						
2015						
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	\$512,567	\$152,267	\$135,958	\$560,433	\$16,250	\$1,377,475

Note: Sales are classified in countries or regions based on the location of customers.

(B) Property, plant and equipment by geographical area are as follows:

Millions of Yen						
2015						
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment . . .	¥22,034	¥473	¥1,083	¥9,287	¥8	¥32,885

Millions of Yen						
2014						
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment . . .	¥22,181	¥453	¥1,028	¥6,315	¥5	¥29,982

Thousands of U.S. Dollars (Note 1)						
2015						
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment . . .	\$183,617	\$3,942	\$9,025	\$77,391	\$67	\$274,042

(5) Impairment loss on fixed assets by reporting segment is as follows:

Millions of Yen								
2015								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Impairment loss on fixed assets . . .	¥70	¥—	¥—	¥—	¥—	¥70	¥—	¥70

Millions of Yen								
2014								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Impairment loss on fixed assets . . .	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—

Thousands of U.S. Dollars (Note 1)								
2015								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Impairment loss on fixed assets . . .	\$584	\$—	\$—	\$—	\$—	\$584	\$—	\$584

(6) Amortization and balance of goodwill by reporting segment are as follows:

Millions of Yen								
2015								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Goodwill	¥—	¥686	¥—	¥—	¥—	¥686	¥—	¥686

Millions of Yen								
2014								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Goodwill	¥—	¥717	¥—	¥—	¥—	¥717	¥—	¥717

Thousands of U.S. Dollars (Note 1)								
2015								
	Reporting Segment					Total	Reconciliations	Consolidated
	Japan	North America	Europe	South Asia	East Asia			
Goodwill	\$—	\$5,717	\$—	\$—	\$—	\$5,717	\$—	\$5,717

Note: Amortization of goodwill is omitted as similar information is provided in “Information on amounts of sales, profit (loss), assets and other items by reporting segment.”

14. Financial Instruments and Related Disclosures

(A) Policy for financial instruments

The Companies raise necessary funds for capital investment needs for manufacturing, sales, installation and maintenance operations mainly through internal or debt financing. The Companies also raise short-term operating funds through internal or short-term debt financing. The Companies invest cash surpluses, if any, in low-risk and highly liquid financial instruments.

The Companies use derivative financial instruments to manage risk arising from foreign exchange or interest rate fluctuations and do not enter into derivatives for trading or speculative purposes.

(B) Nature of financial instruments, associated risk and risk management system

Receivables, such as trade notes and accounts receivable, are exposed to customer credit risk. The Companies manage, according to the credit management rules of the individual company, the due date and the balance of trade receivables from business partners, and regularly monitor the status of major counterparties. Receivables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates. Foreign currency forward contracts are utilized to hedge the fluctuation risk, if necessary.

Investment securities are mainly equity securities of the entities with a business relationship and exposure to the market price fluctuation risk. The Company continuously monitors the issuer’s status and fair value and reviews its holdings considering their relationship with the Company.

Payables, such as trade notes and accounts payable, are mainly due within one year. A portion arising from the import of supplies is denominated in foreign currencies and is exposed to the market risk of fluctuation in foreign currency exchange rates. The balance of payables denominated in foreign currencies is always less than the receivables denominated in foreign currencies. Of debt payables, short-term debts are mainly related to operating activities and long-term debts are raised mainly for capital investments.

Derivatives consist of foreign currency forward contracts and interest rate swap contracts used to manage the market risk of fluctuations in foreign currency exchange rates and interest rates. These derivative transactions are limited to financial institutions with high credit ratings to reduce the counterparty’s credit risk.

(C) Fair values of financial instruments

Fair values of financial instruments are based on the quoted market price. If a quoted market price is not available, fair value is reasonably estimated. The reasonable valuation assumption may result in different fair values because various factors are included in estimating the fair value. Also, the contract or notional amounts of derivatives do not measure the exposure to market risk. Please see Note 15 for details of fair value for derivatives.

(1) Carrying amount, fair value and differences of financial instruments are as follows:

	Millions of Yen					
	2015			2014		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets:						
Cash and deposits	¥ 51,674	¥ 51,674	¥ —	¥41,212	¥41,212	¥ —
Trade notes and accounts receivable	53,184	51,693	(1,491)	42,117	40,968	(1,149)
Investment securities	6,899	6,899	—	5,105	5,105	—
Long-term loans	14	14	(0)	16	16	(0)
Total	¥111,771	¥110,280	¥(1,491)	¥88,450	¥87,301	¥(1,149)
Liabilities:						
Trade notes and accounts payable	¥ 15,247	¥ 15,247	¥ —	¥17,019	¥17,019	¥ —
Electronically recorded obligations	5,281	5,281	—	—	—	—
Short-term debt	7,911	7,911	—	541	541	—
Long-term debt*1	1,731	1,722	(9)	1,779	1,772	(7)
Total	¥ 30,170	¥ 30,161	¥ (9)	¥19,339	¥19,332	¥ (7)
Derivatives*2:						
Derivatives without hedge accounting	¥ (51)	¥ (51)	¥ —	¥ 38	¥ 38	¥ —
Derivatives with hedge accounting	—	—	—	(2)	(2)	—

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Carrying amount	Fair value	Difference
Assets:			
Cash and deposits	\$430,617	\$430,617	\$ —
Trade notes and accounts receivable	443,200	430,775	(12,425)
Investment securities	57,491	57,491	—
Long-term loans	117	117	(0)
Total	\$931,425	\$919,000	\$(12,425)
Liabilities:			
Trade notes and accounts payable	\$127,058	\$127,058	\$ —
Electronically recorded obligations	44,008	44,008	—
Short-term debt	65,925	65,925	—
Long-term debt*1	14,424	14,350	(74)
Total	\$251,415	\$251,341	\$ (74)
Derivatives*2:			
Derivatives without hedge accounting	\$ (425)	\$ (425)	\$ —
Derivatives with hedge accounting	—	—	—

*1: Long-term debt includes the current portion of long-term debt.

*2: The assets and liabilities arising from derivatives are shown at the net value with the amount in parentheses representing net liability.

Note: The methods described below are used to determine the estimated fair value of financial instruments, securities and derivatives.

Assets

1) Cash and deposits:

The carrying values approximate fair value because of their short maturities.

2) Trade notes and accounts receivable:

The fair value is determined by discounting the cash flows related to the receivables at an assumed rate based on their maturity and credit risk.

3) Investment securities:

The fair value is measured as the quoted stock market price for equity securities and as the quoted price obtained from the financial institution for certain securities.

The information about investment securities by classification is shown in Note 4.

4) Long-term loans:

The fair value is determined by discounting the cash flows of principal and interest related to the loans at an assumed rate based on their collectibility and maturity.

Liabilities

1) Trade notes and accounts payable, electronically recorded obligations and short-term debt:

The carrying values approximate fair value because of their short maturities.

2) Long-term debt:

The fair value is determined by discounting the cash flows related to the debt at an assumed rate based on its maturity and credit risk.

3) Derivatives:

The information on the fair value for derivatives is included in Note 15.

(2) Financial instruments whose fair value cannot be reliably determined at March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Investment securities:			
Unlisted stocks	¥123	¥123	\$1,025

Since no quoted market price is available and future cash flows cannot be reliably estimated, it is extremely difficult to determine the fair value, therefore the above financial instruments are not included in table (1).

(3) A maturity analysis for cash and deposits, trade notes and accounts receivable, and long-term loans at March 31, 2015 is summarized as follows:

	Millions of Yen		
	Due within one year	Due after one year through five years	Due after five years through ten years
Cash and deposits	¥ 51,674	¥ —	¥ —
Trade notes and accounts receivable	50,027	2,764	393
Long-term loans	1	13	—
Total	¥101,702	¥2,777	¥393

	Thousands of U.S. Dollars (Note 1)		
	Due within one year	Due after one year through five years	Due after five years through ten years
Cash and deposits	\$430,617	\$ —	\$ —
Trade notes and accounts receivable	416,892	23,033	3,275
Long-term loans	8	109	—
Total	\$847,517	\$23,142	\$3,275

Note: Annual maturities of long-term debt are included in Note 7.

15. Derivative Financial Instruments

(1) Derivative transactions, to which hedge accounting is not applied, at March 31, 2015 and 2014 are as follows:

	Millions of Yen					
	2015			2014		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
Foreign currency forward contracts:						
Buying	¥3,598	¥ (51)	¥ (51)	¥3,335	¥38	¥38

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Contract amount	Fair value	Unrealized gain (loss)
Foreign currency forward contracts:			
Buying	\$29,983	\$(425)	\$(425)

Note: The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

(2) Derivative transactions, to which hedge accounting is applied, at March 31, 2015 and 2014 are as follows:

	Millions of Yen					
	2015			2014		
	Contract amount	Due after one year	Fair value	Contract amount	Due after one year	Fair value
Foreign currency forward contracts:						
Buying	¥—	¥—	¥—	¥211	¥—	¥(2)

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Contract amount	Due after one year	Fair value
Foreign currency forward contracts:			
Buying	\$—	\$—	\$—

Note: The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

	Millions of Yen					
	2015			2014		
	Contract amount	Due after one year	Fair value	Contract amount	Due after one year	Fair value
Interest rate swap contracts:						
Variable interest received, fixed interest paid	¥668	¥334	¥—	¥572	¥286	¥—

	Thousands of U.S. Dollars (Note 1)		
	2015		
	Contract amount	Due after one year	Fair value
Interest rate swap contracts:			
Variable interest received, fixed interest paid	\$5,567	\$2,783	\$—

Note: Interest rate swap contracts applying the exceptional method are dealt with as a group within long-term debt for the hedged item, and the fair values are included in the fair values of long-term debt.

16. Stock Options, etc.

(1) Expenses and accounts related to stock options

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2015	2014	2015
Selling, general and administrative expenses	¥ 20	¥ 36	\$166

(2) Contents, scale and changes in stock options

a) Contents of the stock options

Resolution date	Person granted	Number of stock options by type of stock	Grant date	Vesting conditions	Service period	Exercise period
November 8, 2013	4 directors of the Company (excluding outside directors)	36,000 shares of common stock	November 25, 2013	—	—	From November 26, 2013 to November 25, 2043
August 7, 2014	4 directors of the Company (excluding outside directors)	24,000 shares of common stock	August 25, 2014	—	—	From August 26, 2014 to August 25, 2044

b) Scale and changes in stock options

Stock options outstanding for the year ended March 31, 2015 are covered, and the number of stock options are converted into the number of shares.

Number of stock options

1st Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Before vesting (shares)					Vested (shares)				
	At the end of March 31, 2014	Granted	Lapsed	Vested	Unvested	At the end of March 31, 2014	Vested	Exercised	Lapsed	Unexercised
November 8, 2013	—	—	—	—	—	36,000	—	—	—	36,000

2nd Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Before vesting (shares)					Vested (shares)				
	At the end of March 31, 2014	Granted	Lapsed	Vested	Unvested	At the end of March 31, 2014	Vested	Exercised	Lapsed	Unexercised
August 7, 2014	—	24,000	—	24,000	—	—	24,000	—	—	24,000

Unit price information

1st Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Exercise price (Yen)	Average stock price at the time of exercise (Yen)	Fair value as of the grant date (Yen)
November 8, 2013	1	—	1,016

2nd Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Exercise price (Yen)	Average stock price at the time of exercise (Yen)	Fair value as of the grant date (Yen)
August 7, 2014	1	—	815

(3) Evaluation method of fair value per unit of stock options for the year ended March 31, 2015

a) Appraisal method used

The Black-Scholes model

b) Main underlying figures and estimates

2nd Stock Acquisition Rights of Fujitec Co., Ltd. (Stock-Compensation-type Stock Options)
(Resolved at a meeting of its Board of Directors held on August 7, 2014)

Volatility	(Note 1)	39.601%
Expected residual period	(Note 2)	15 years
Expected dividends	(Note 3)	¥22
Risk-free interest rate	(Note 4)	0.947%

- Notes: 1. Estimated based on the stock price performance in 15 years (from August 25, 1999 to August 25, 2014)
2. Calculated based on the assumption that the stock acquisition rights would be exercised at the middle point of the exercise period
3. Actual cash dividends for the year ended March 31, 2014
4. Yield of Japanese government bonds with the same years to maturity as the above expected residual period

(4) Method of estimating the number of vested stock options

All of the stock acquisition rights are vested when granted.

17. Subsequent Event

Dividends

The following appropriation of retained earnings at March 31, 2015 was approved at the annual meeting of shareholders held on June 23, 2015:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash dividends	¥1,050	\$8,750

Stock repurchase

The Company has decided to implement the repurchase of shares of its common stock, which was authorized by a resolution passed at a meeting of the Board of Directors held on April 8, 2015, pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Companies Act of Japan.

Details are as follows:

(1) Reason for stock repurchase

To improve capital efficiency and to enable the flexible implementation of the Company's capital policy

(2) Details of resolution

- a) Class of shares repurchased: Common stock
- b) Total number of shares repurchased: 7,000,000 shares (maximum)
- c) Aggregate repurchase amount: 8,267 million (maximum)
- d) Period for repurchase: April 9, 2015
- e) Method of repurchase: Through the Tokyo Stock Exchange Trading Network Off-Auction Own Shares Repurchase Trading System (ToSTNeT-3)

(3) Details of repurchase

- a) Total number of shares repurchased: 6,491,400 shares
- b) Aggregate repurchase amount: 7,666 million
- c) Date of repurchase: April 9, 2015

On April 9, 2015, the Company has completed the acquisition of its own shares resolved at its Board of Directors meeting held on April 8, 2015.

Independent Auditor's Report



Independent Auditor's Report

Grant Thornton Taiyo LLC

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To the Board of Directors of
Fujitec Co., Ltd.

We have audited the accompanying consolidated financial statements of Fujitec Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fujitec Co., Ltd. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 17 "Subsequent Events" to the consolidated financial statements, which describes that Fujitec Co., Ltd. passed a resolution at the Board of Directors meeting on April 8, 2015 related to a share purchase plan and acquired its own shares on April 9, 2015.

Convenience Translation

The United States dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2015 are presented solely for the convenience. Our audit also included the translation of Japanese yen amounts into United States dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Grant Thornton Taiyo LLC
Osaka, Japan
June 24, 2015

Global Network

● R&D centers ● Production sites ● Sales sites

Global (21 Countries and 3 Regions)

Consolidated subsidiaries: **19**
Production sites: **12**

Japan

Head Office and bases: **4**
Headquarters and regional offices: **5**
Branch offices: **12**

Japan

- Head Office Big Wing (Hikone City, Shiga)
Elevator development and manufacturing base
- Tokyo Head Office (Minato-ku, Tokyo)
- Big Fit (Ibaraki City, Osaka)
After-sales services base
- Big Step (Toyooka City, Hyogo)
(Escalator development and manufacturing base)

Headquarters/Offices

- North Japan Regional Office (Sapporo City, Hokkaido)
- Tokyo Metropolitan Area Control HQ (Minato-ku, Tokyo)
- Chubu Regional Office (Nagoya City, Aichi)
- Osaka Metropolitan Area Control HQ (Ibaraki City, Osaka)
- West Japan Regional Office (Fukuoka City, Fukuoka)



Big Wing (Japan)

East Asia

- Fujitec (HK) Co., Ltd. (Hong Kong)
- Fujitec Taiwan Co., Ltd. (Taiwan)
- Fujitec Korea Co., Ltd. (Korea)
- Huasheng Fujitec Elevator Co., Ltd. (China)
- Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
- Fujitec Shanghai Sourcing Center Co., Ltd. (China)
- Fujitec Shanghai Technologies Co., Ltd. (China)

South Asia

- Fujitec Singapore Corpn. Ltd. (Singapore)
- FSP Pte. Ltd. (Singapore)
- Fujitec, Inc. (Philippines)
- Fujitec (Malaysia) Sdn. Bhd. (Malaysia)
- P.T. Fujitec Indonesia (Indonesia)
- Fujitec Vietnam Co., Ltd. (Vietnam)
- Fujitec India Private Ltd. (India)
- Fujitec (Thailand) Co., Ltd. (Thailand)
- Fujitec Lanka (Private) Ltd. (Sri Lanka)

North & South America

- Fujitec America, Inc. (U.S.A.)
- Fujitec Canada, Inc. (Canada)
- Fujitec Venezuela C.A. (Venezuela)
- Fujitec Argentina S.A. (Argentina)
- Fujitec Uruguay S.A. (Uruguay)
- Fujitec Pacific, Inc. (Guam)

Europe & Middle East

- Fujitec UK Ltd. (U.K.)
- Fujitec Deutschland GmbH (Germany)
- Fujitec Saudi Arabia Co., Ltd. (Saudi Arabia)
- Fujitec Egypt Co., Ltd. (Egypt)
- Fujitec Co., Ltd. UAE (Dubai) Office (UAE)

Shareholder Information

(As of March 31, 2015)

Company Data (As of March 31, 2015)

Company Name	Fujitec Co., Ltd.	Total Number of Authorized Shares (Common Stock)	300,000,000 shares
Date of Establishment	February 9, 1948	Total Number of Issued Shares (Common Stock)	93,767,317 shares
Paid-in Capital	¥12,533,933,095	Number of Shareholders	3,483
Line of Business	Research and development, manufacture, marketing, installation and maintenance of elevators, escalators, moving walks, new transportation systems, etc.	Stock Exchange Listings	Tokyo Stock Exchange
Location	Head Office (Big Wing): 591-1, Miyata-cho, Hikone, Shiga, Japan Tokyo Head Office: 3-9-6 Mita, Minato-ku, Tokyo	Annual Meeting of Shareholders	The annual meeting of shareholders of the Company is held in June each year at 591-1, Miyata-cho, Hikone, Shiga, Japan
Consolidated Subsidiaries	19	Auditor	Grant Thornton Taiyo LLC
Number of Employees	Consolidated: 9,057 (Japan: 2,758, Overseas: 6,299)	Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
		Business Office	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 4-5-33, Kitahama, Chuo-ku, Osaka, Japan

Major Shareholders

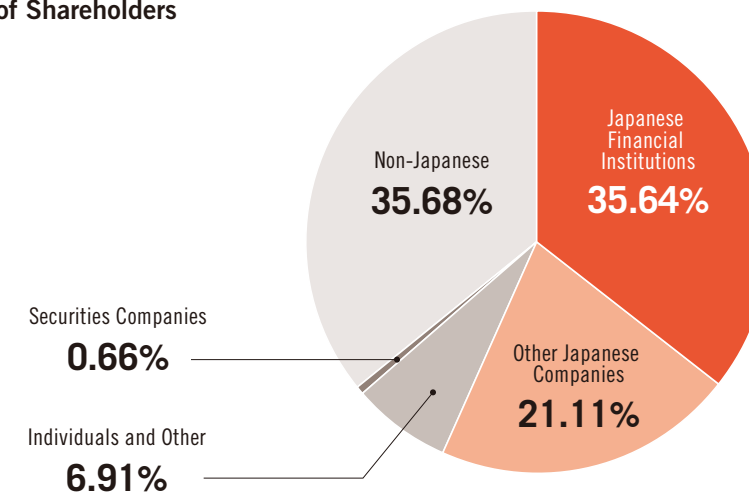
	Number of Shares Held (Thousands)	Shareholding Ratio (%)
CGMI - CLIENT SAFEKEEP 418	10,709	12.23
Uchiyama International, Limited	9,099	10.39
The Master Trust Bank of Japan, Ltd. (trust account)	4,672	5.33
Fuji Electric Co., Ltd.	4,629	5.28
Resona Bank, Ltd.	4,203	4.80
Japan Trustee Services Bank, Ltd. (trust account 4)	3,094	3.53
Japan Trustee Services Bank, Ltd. (trust account)	3,048	3.48
Mizuho Bank, Ltd.	1,989	2.27
JP Morgan Chase Bank 385632	1,855	2.11
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,663	1.90

Note 1) The shareholding ratios are calculated based on 87,552,531 shares, being the total number of issued shares as of March 31, 2015 (93,767,317) minus the number of treasury shares (6,214,786) on the same date.

Note 2) The shareholding of Japan Trustee Services Bank, Ltd. (trust account) includes 727,000 shares of the Employee Shareholders Association Support Trust ESOP.

Note 3) Fujitec Co., Ltd. also holds 6,214,786 shares of treasury stock but is excluded from the above list.

Distribution of Shareholders (March 31, 2015)



FUJITEC CO.,LTD.