

70th

FUJITEC

**Fiscal Year 2018
(Ending March 31, 2019)
Six-month Financial
Result Presentation**

**Fujitec Co., Ltd.
November 22, 2018**



1. Fiscal Year 2018 Six-month Financial Results

2. Fiscal Year 2018 Forecasts

1. Fiscal Year 2018 Six-month Financial Results

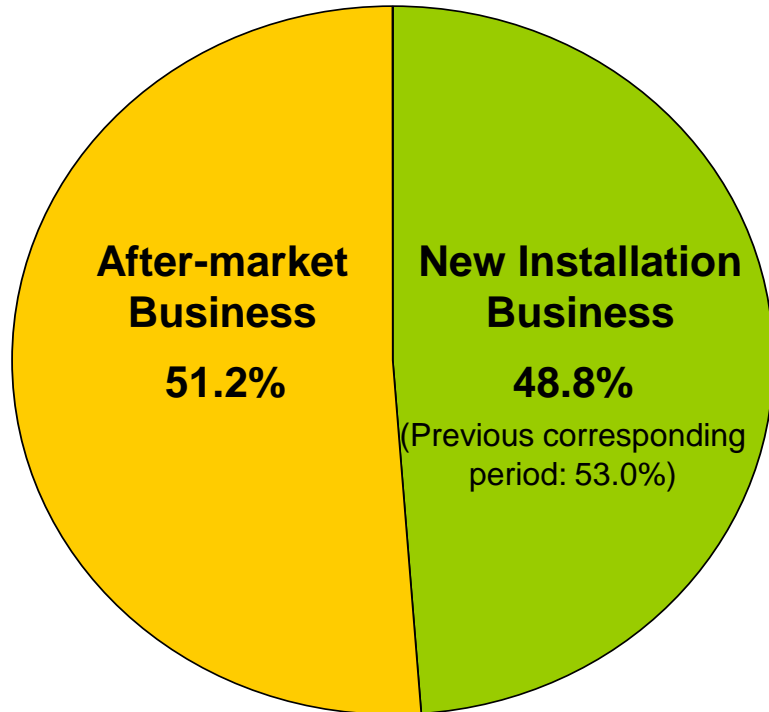
Decreases in net sales and operating income due to sluggishness in East Asia

(Millions of yen)

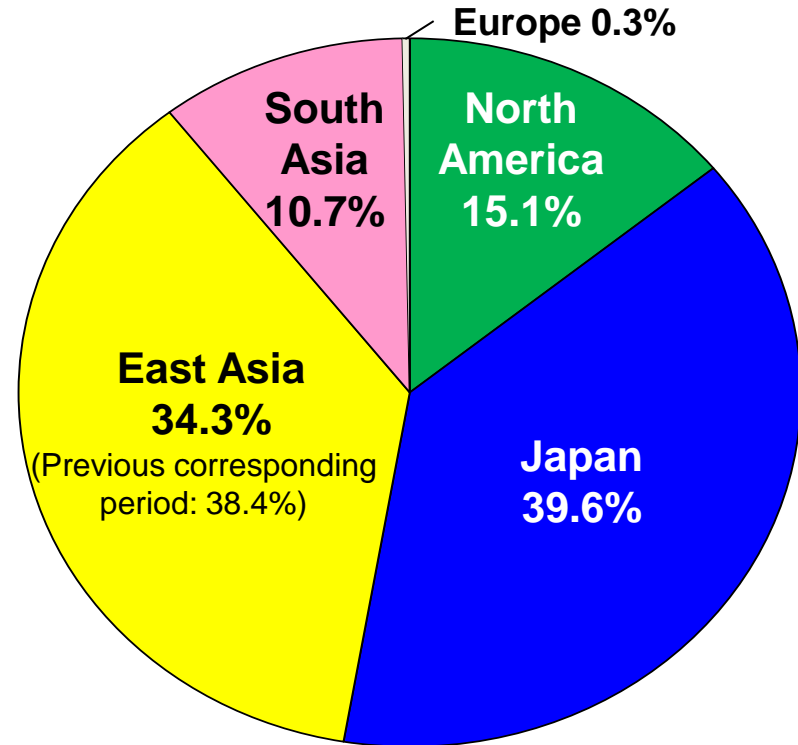
	FY2018 2Q	Percentage (Margin)	Initial Plan	FY2017 2Q	Percentage (Margin)	Change
Orders Received	84,821	100.0%	-	87,690	100.0%	- 3.3%
Domestic	37,117	43.8%	-	35,669	40.7%	+ 4.1%
Overseas	47,703	56.2%	-	52,021	59.3%	- 8.3%
Net Sales	77,482	100.0%	80,000	81,428	100.0%	- 4.8%
Domestic	30,306	39.1%	-	29,469	36.2%	+ 2.8%
Overseas	47,175	60.9%	-	51,959	63.8%	- 9.2%
Operating Income	4,143	5.3%	4,500	5,369	6.6%	- 22.8%
Ordinary Income	4,961	6.4%	5,000	6,257	7.7%	- 20.7%
Profit Attributable to Owners of Parent	3,935	5.1%	4,000	4,527	5.6%	- 13.1%
EPS	¥ 48.74	-	¥ 49.59	¥ 56.15	-	- ¥7.41

Despite decreases in net sales in East Asia, the overseas sales ratio remains at 60%

Net Sales by Business



Net Sales by Segment



Operating income in East Asia & Japan decreased and that in South Asia & North America increased slightly

(Millions of yen)

	Net Sales			Operating Income		
	FY2018 2Q	FY2017 2Q	Change in %	FY2018 2Q	FY2017 2Q	Change
Japan	32,094	30,953	+ 3.7%	1,547	2,156	- 609
East Asia	30,394	35,123	- 13.5%	849	1,660	- 810
South Asia	8,338	8,219	+ 1.5%	1,251	1,203	+ 47
North America	11,748	12,145	- 3.3%	453	437	+ 15
Europe	203	273	- 25.7%	- 56	- 42	- 14
Total	82,779	86,714	- 4.5%	4,045	5,415	- 1,370
Reconciliations	- 5,297	- 5,286	-	97	- 46	+ 143
Consolidated	77,482	81,428	- 4.8%	4,143	5,369	- 1,226

Average Exchange Rate : FY2018 2Q 1US\$=¥108, FY2017 2Q 1US\$=¥112

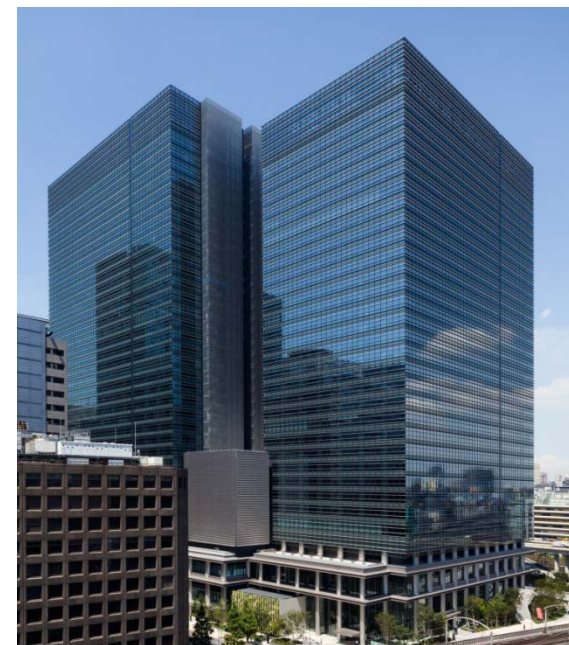
Operating income decreased due to increased fixed costs
Net sales reached new record highs

Demand Trend

- In New Installation Business, demand for hotels and offices was steady
- Modernization work for government offices was good

(Millions of yen)

	FY2018 2Q	FY2017 2Q	Change
Net Sales	32,094	30,953	+ 3.7%
Operating Income	1,547	2,156	- 28.3%
Operating Income Margin	4.8%	7.0%	- 2.2P



Otemachi PLACE (Tokyo)

Business Overview

- Net sales for New Installation Business and After-market Business increased
- Operating income decreased due to increased fixed costs such as labor costs

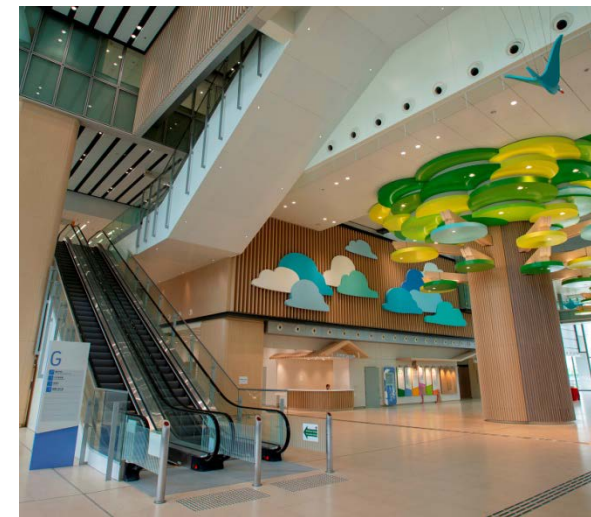
Decreases in net sales & operating income due to price competition in China

Demand Trend

- Demand for New Installation Business in China increased slightly on a basis of units
- The severe market environment of price competition continues

(Millions of yen)

	FY2018 2Q	FY2017 2Q	Change
Net Sales	30,394	35,123	- 13.5%
Operating Income	849	1,660	- 48.8%
Operating Income Margin	2.8%	4.7%	- 1.9P



Hong Kong Children's Hospital
(Hong Kong)

Business Overview

- New Installation Business in China decreased due to a drop in sales prices
- In operating income, Hong Kong was flat year-on-year and Taiwan increased
- Net sales & operating income in Korea decreased

Singapore and the ASEAN Region trended steadily

Demand Trend

- Steady demand in Singapore and the ASEAN Region
- Orders received for New Installation Business in India were favorable

(Millions of yen)

	FY2018 2Q	FY2017 2Q	Change
Net Sales	8,338	8,219	+ 1.5%
Operating Income	1,251	1,203	+ 4.0%
Operating Income Margin	15.0%	14.6%	+ 0.4P



Chow Kit Trade Centre (Malaysia)

Business Overview

- Singapore and the ASEAN Region were flat year-on-year
- In India, net sales for New Installation Business and Maintenance increased
- Operating income was driven by After-market Business

Increasing operating income against the backdrop of economic expansion

Demand Trend

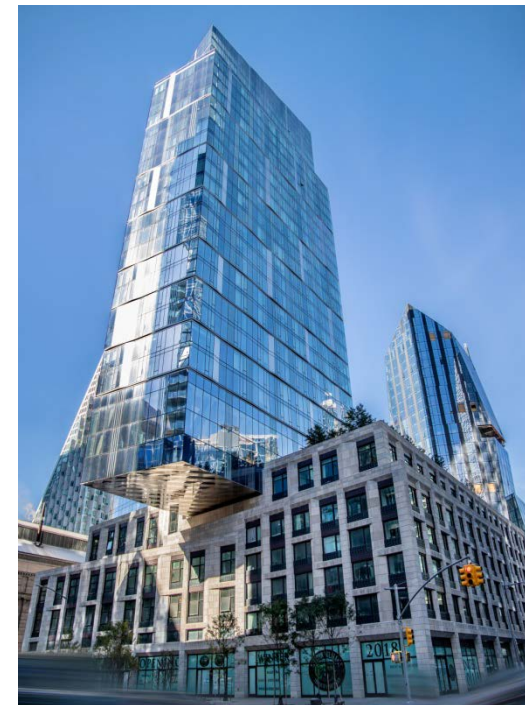
- Demand is steady due to economic expansion

(Millions of yen)

	FY2018 2Q	FY2017 2Q	Change
Net Sales	11,748	12,145	- 3.3%
Operating Income	453	437	+ 3.6%
Operating Income Margin	3.9%	3.6%	+ 0.3P

Business Overview

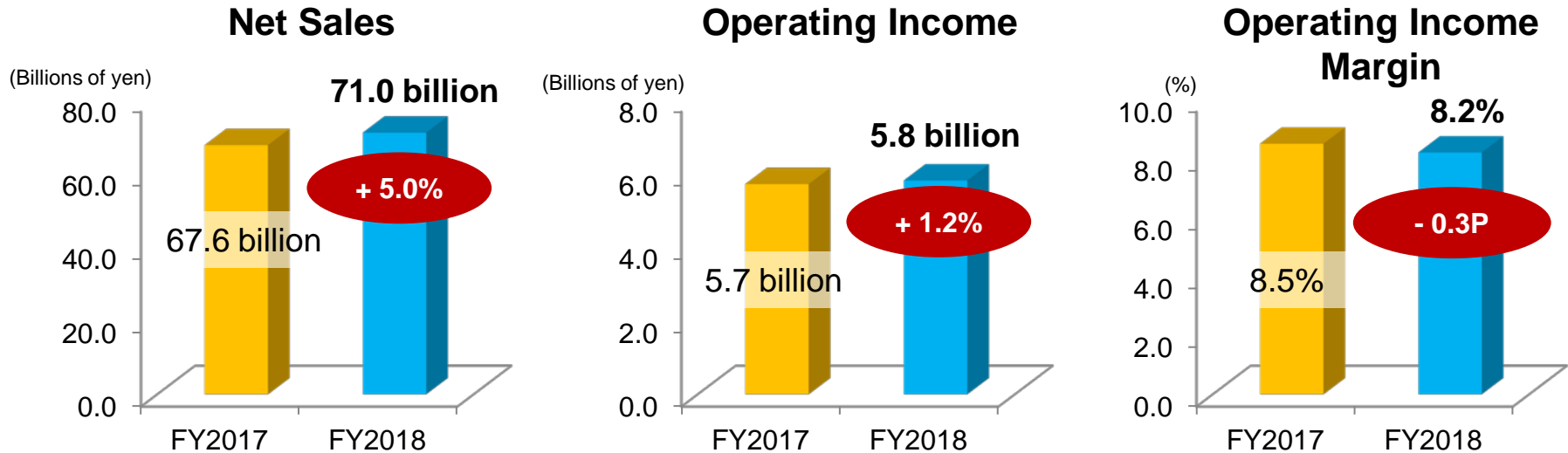
- Net sales decreased due to the postponement of projects in New Installation Business
- Operating income increased in New Installation Business and Repair work



ONE WEST END (USA)

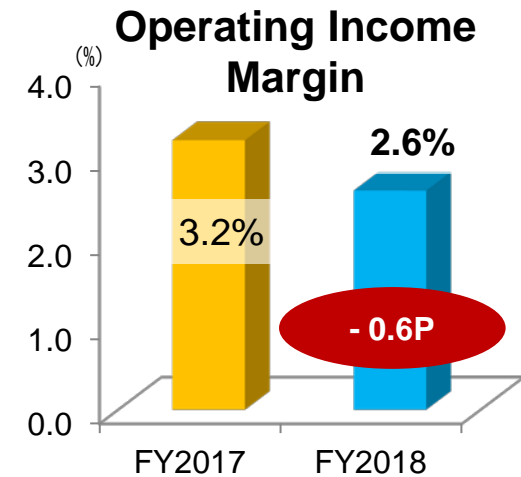
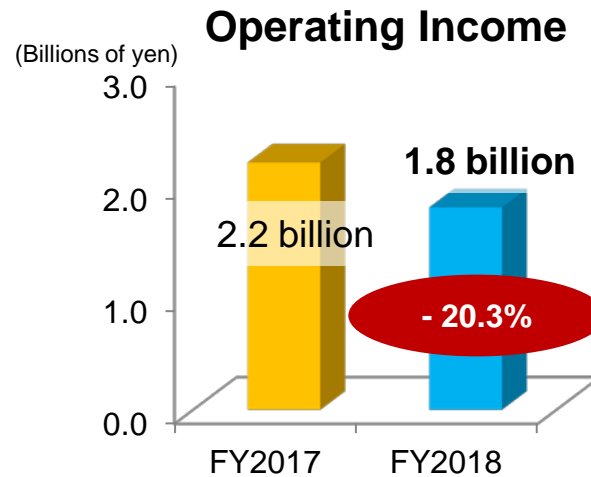
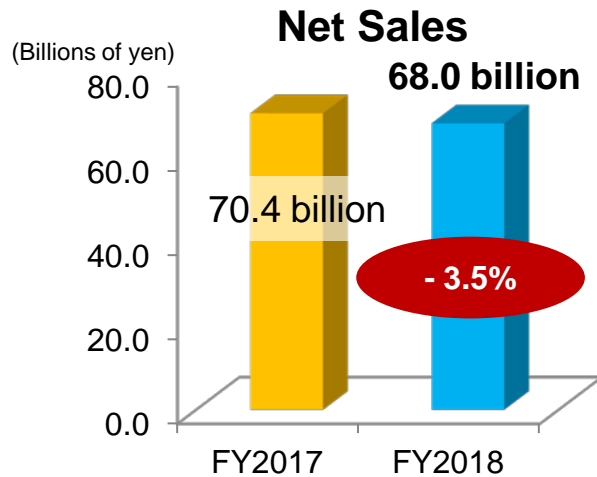
2. Fiscal Year 2018 Forecasts

Net sales and operating income are expected to increase for three consecutive periods



- Demand trends will be strong, mainly in the Tokyo metropolitan area
- New Installation & Modernization work will increase and Maintenance will expand
- Fixed costs will be absorbed by an increase in net sales in the 2nd half of the year

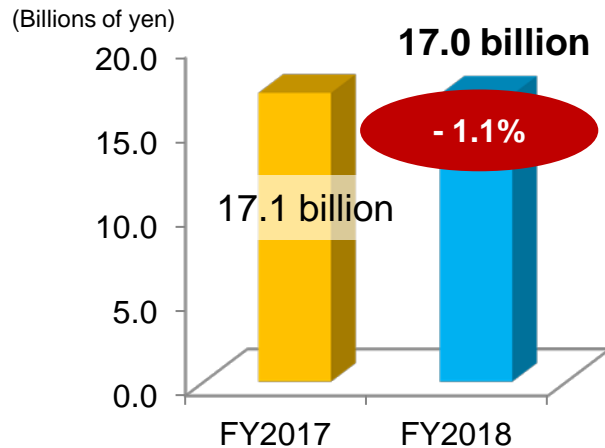
East Asia is expected to achieve the annual plan due to upward results in China in the 2nd half of the year



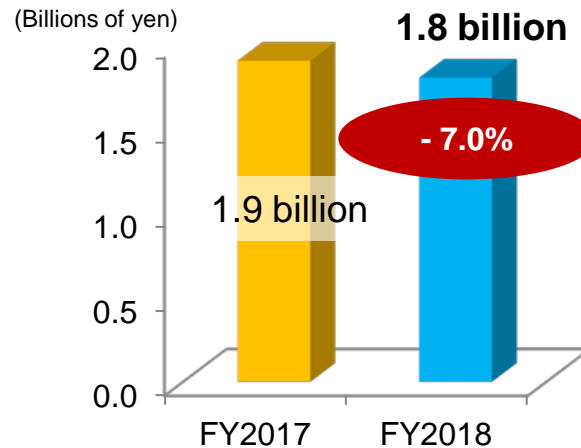
- China will catch up in the 2nd half of the year due to an emphasis on profitability and the raising of the unit price of orders
- Although net sales in Hong Kong will decrease, net sales and operating income in Taiwan will increase
- Unprofitable projects in Korea will finish by the end of FY2018

South Asia is expected to reach its initial plan

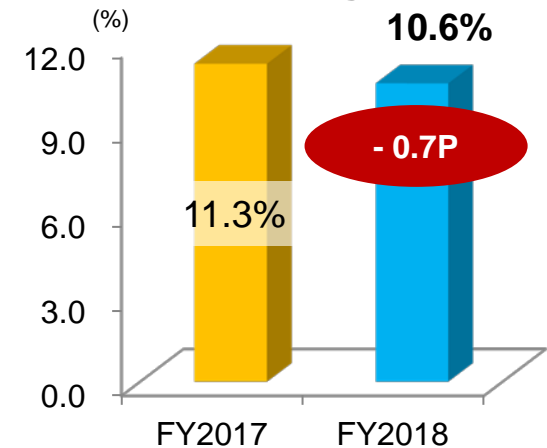
Net Sales



Operating Income



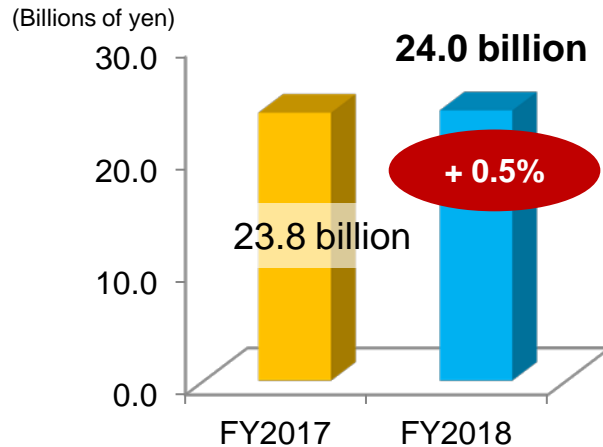
Operating Income Margin



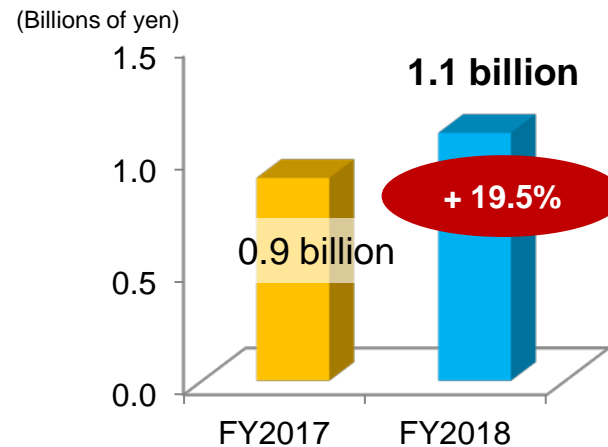
- A decline in the margin for New Installation Business in Singapore is expected
- Net sales in India will increase

Business will expand steadily and the margin will tend to improve

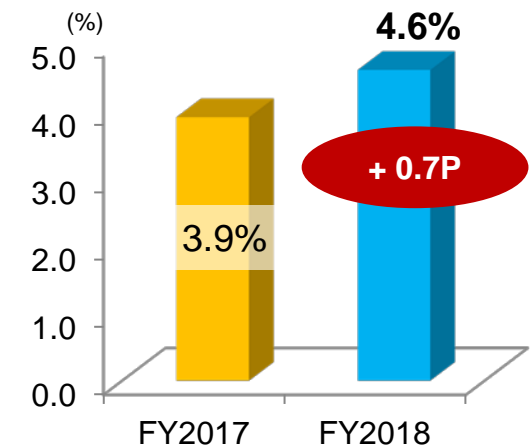
Net Sales



Operating Income



Operating Income Margin



- Despite the postponement of projects, North America is expected to achieve its annual plan
- Trade friction between China and the USA will be a concern from next fiscal year

Results for the last fiscal year of the Mid-Term Management Plan are expected to be as per the revised annual plan

(Millions of yen)

	Net Sales			Operating Income		
	FY2018	FY2017	Change in %	FY2018	FY2017	Change
Japan	71,000	67,646	+ 5.0%	5,800	5,728	+ 71
East Asia	68,000	70,442	- 3.5%	1,800	2,257	- 457
South Asia	17,000	17,191	- 1.1%	1,800	1,936	- 136
North America	24,000	23,871	+ 0.5%	1,100	920	+ 179
Europe	300	511	- 41.3%	0	- 67	+ 67
Total	180,300	179,662	+ 0.4%	10,500	10,774	- 274
Reconciliations	- 10,300	- 10,867	-	- 200	- 109	- 90
Consolidated	170,000	168,795	+ 0.7%	10,300	10,665	- 365

Average Exchange Rate : FY2018 1US\$=¥105, FY2017 1US\$=¥112

Capital investment, depreciation, R&D expenses and dividends

(Millions of yen)

	FY2018	FY2017	Change
Capital Investment	3,600	2,337	+ 1,263
Domestic	2,600	1,181	+ 1,419
Overseas	1,000	1,156	- 156
Depreciation	3,100	2,915	+ 185
R&D Expenses	2,600	2,323	+ 277

(Yen)

	FY2018	FY2017	Change
Dividends	42	35	+ 7
Interim	20	15	+ 5
Year-end	22	20	+ 2

* Result of year-end dividends for FY2017 includes the 70th anniversary dividend of 5 yen

Reference Information

1. Consolidated Balance Sheet

(Millions of yen)	Sep. 30, 2018	Mar. 31, 2018	Change	Remarks
Current Assets	125,401	127,530	- 2,129	
Cash and Cash Equivalents	49,715	49,856	- 140	
Trade Notes and Accounts Receivable	49,132	53,411	- 4,279	Decreased in Japan and South Asia
Inventories	23,568	21,864	+ 1,703	Increased in East Asia
Others	5,164	4,500	+ 663	
Provision for bad debt	- 2,179	- 2,102	- 76	
Fixed Assets	53,948	54,972	- 1,024	
Property, Plant and Equipment	34,215	34,388	- 173	Capital investment: +1,260, Depreciation: -1,318, Foreign exchange, etc.: -115
Intangible Assets	3,782	4,029	- 247	
Investments and Other Assets	15,950	16,553	- 603	
Total Assets	179,350	182,503	- 3,153	
Current Liabilities	63,243	66,821	- 3,578	Advances from customer: +1,241, Trade notes and accounts payable: -1,678, Short-term debt: -1,628
Non-current Liabilities	4,638	3,859	+ 779	
Net Assets	111,468	111,822	- 353	Retained earnings: -1,959, Treasury Stock: +4,351, Foreign currency translation adjustments: -2,180, Non-controlling interests: -433
Shareholders' Equity Ratio	56.0%	55.0%	+ 1.0P	
BPS	¥1,243.49	¥1,243.46	+ ¥0.03	

(Millions of yen)

	FY2018 2Q	FY2017 2Q	Change
Cash and Cash Equivalents at Beginning of the Year	24,043	20,910	+ 3,133
Cash Flows from Operating Activities	4,659	8,397	- 3,738
Cash Flows from Investing Activities	279	- 610	+ 890
Free Cash Flows	4,939	7,787	- 2,848
Cash Flows from Financing Activities	- 3,542	- 3,444	-98
Cash and Cash Equivalents at End of Second Quarter	24,750	24,852	- 102

3. Corporate Profile (as of September 30, 2018)

Corporate Name	Fujitec Co., Ltd.
Established	Feb 1948 (Listed Feb 1974 on TSE1)
Head Office	Hikone, Shiga (Big Wing)
Business	R&D, manufacturing, marketing, installation and maintenance of elevators and escalators
Paid-in Capital	12,533 million yen (shares issued: 90,067,000)
Directors	President & CEO, Takakazu Uchiyama 7 directors (including 3 outside directors) 4 audit & supervisory board members (including 3 outside audit & supervisory board members)
Employees	Consolidated 9,886 (non-consolidated 2,990)
Group companies	34 companies (including 19 consolidated subsidiaries) (North and South America, East and South Asia, Europe/Middle East)

This presentation was prepared to provide information on the company's Fiscal Year 2018 (ending March 31, 2019) Six-month results and medium-term business plan. The purpose of these materials is not to solicit investments in the company's stock or other securities. All information in this presentation is based on data currently available as of November 22, 2018. The company makes no guarantees regarding the accuracy or completeness of this information and retains the right to revise this information at any time with no prior notification.

November 22, 2018

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**Fiscal Year 2018 Six-month
Financial Result Presentation**

