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To all parties concerned:

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Announcement of Fujitec's New Mid-Term Management Plan

Fujitec Group Companies is pleased to inform all concerned parties the start of a new Mid-Term Management Plan under the slogan of *"No Limits! Push Forward Together!"* for fiscal years 2016 – 2018. Below is a summary that outlines the details of our initiative.

1. Mid-Term Management Plan's Basic Policy: *Fiscal Years 2016 - 2018*

Fujitec provides safe and reliable products to people around the world. In order to increase our value and visibility on a global level, we are implementing an aggressive marketing strategy to achieve recognition as a single, global entity. The following strategies will be our focus during this mid-term management plan.

- **Regional Strategy:** Increase Fujitec's market share by identifying and supporting specific regional needs.
- **Product / Technology Strategy:** Increase competitiveness through the unification of product specifications
- **Operation Strategy:** Innovate procurement systems and establish a new global network for product design
- **Corporate Strategy:** Enhance the quality of Fujitec's corporate management

2. Mid-Term Business Goals

Fujitec aims to achieve the following consolidated business performance at the conclusion of the mid-term management period ending March 31, 2019.

Sales: 200 billion yen
 Operating Income: 16 billion yen
 Profit Rate: 8 %

Fiscal Year: 2015 (ended in March, 2016)
 (The achieved figures are listed in the table.)

unit: million yen

Regions	Sales	Operating Income	Profit Rate
Japan	65,001	5,199	8.0%
East Asia	84,606	7,500	8.9%
North America	22,360	137	0.6%
South Asia	17,075	1,626	9.5%
Europe	508	-43	-8.5%
All Regions	189,552	14,421	7.6%
Adjustment	-12,423	28	
All Regions	177,128	14,449	8.2%

Average Exchange Rate: 121 yen / US dollar.

Fiscal Year: 2018 (ended in March, 2019)
 (The target figures are listed in the table.)

unit: million yen

Regions	Sales	Operating Income	Profit Rate
Japan	70,000	5,800	8.3%
East Asia	100,000	7,800	7.8%
North America	24,000	700	2.9%
South Asia	20,000	1,900	9.5%
Europe	800	0	0.0%
All Regions	214,800	16,200	7.5%
Adjustment	-14,800	-200	
All regions	200,000	16,000	8.0%

Average Exchange Rate: 110 yen / US dollar.

3. Regional Strategy

- **East Asia:** Concentrate on China, the world's largest market, and increase market share by expanding our sales network, enhancing both product development and cost competitiveness. In mature markets such as Hong Kong, Taiwan and Korea, our focus will be on product modernization. We will establish our new global supply chain and distribute Fujitec products to the global market by the following methods:
 - **China** - Supply standard-level elevators/escalators/equipments
 - **Korea** - Provide more customized and intricate industry applications
 - **Taiwan** - Establish Fujitec as the premier elevator modernization company
- **North America/Europe:** Stabilize business profitability by reinforcing infrastructure for aftermarket product modernization.
- **South Asia:** Invest Fujitec management resources in India and the ASEAN nations where stable economic growth is expected. Enhance product production capabilities in India to meet demand not only for the Indian market, but to additionally support markets in the Mekong Region. We will elevate Fujitec's regional presence by

strengthening our product development locally and our ability to supply products quickly and efficiently.

- **Japan:** In the new sales market, our focus is to reduce product cost and strengthen our business infrastructure in aftermarket modernization. This is achieved by actively pursuing and increasing the number of maintenance contracts to generate revenue and provide Fujitec the opportunity to promote the value of modernization.

4. Product and Technology Strategy

To capture market share and increase competitiveness among Fujitec services globally, we must unify specifications of all products and components manufactured by Fujitec worldwide. Committing to the development of technologies that support Fujitec's line-up of products along with the expansion of far-sighted research and development will increase Fujitec's price competitiveness and create superior value in our products.

5. Operation Strategy

The reduction of operating and transportation costs will be accomplished by the following:

- 1) Establishing a new global network and promoting Fujitec's global procurement systems through innovation and pure purchasing power
- 2) Maximize internal engineering/design resources to improve product and service
- 3) Reorganize China and Japans' escalator business structure
- 4) Promote the product modernization business globally.

6. Corporate Strategy

- In accordance with Fujitec's corporate governance policy, applying a high standard of ethics and corporate transparency enhances the governance structure, strengthening our internal control and risk management systems.
- The development, organization and expansion of our global IT infrastructure will strengthen global management, providing quick and efficient sharing of information. Keeping up to date with the latest IT technologies is imperative to achieving success.
- For enhancing the development of human resources in Fujitec group companies, Fujitec will implement the human resource development program on a global scale; "Each person working in Fujitec group companies has the same corporate value, contributes to customers and societies, and respects each other's specialty and diversity."

- Also for enhancing the safety and quality of Fujitec's products, we will increase the level of personnel's techniques for the installation and maintenance of elevators and escalators. As another enhancement, the present quality assurance system working in each group company will be updated to the one that can function on a global scale.