

FUJITEC

**Fiscal Year Ended March 31, 2017 (FY2016)
Financial Result Presentation**

**Fujitec Co., Ltd.
May 25, 2017**

GINZA SIX (Tokyo)

1. Fiscal Year 2016 Financial Results

2. Fiscal Year 2017 Forecasts

3. Actions for Mid-term Management Plan

1. Fiscal Year 2016 Financial Results

1-1. Fiscal Year 2016 Summary

Operating Income, Ordinary Income and Profit Attributable to Owners of Parent exceeded the initial plan

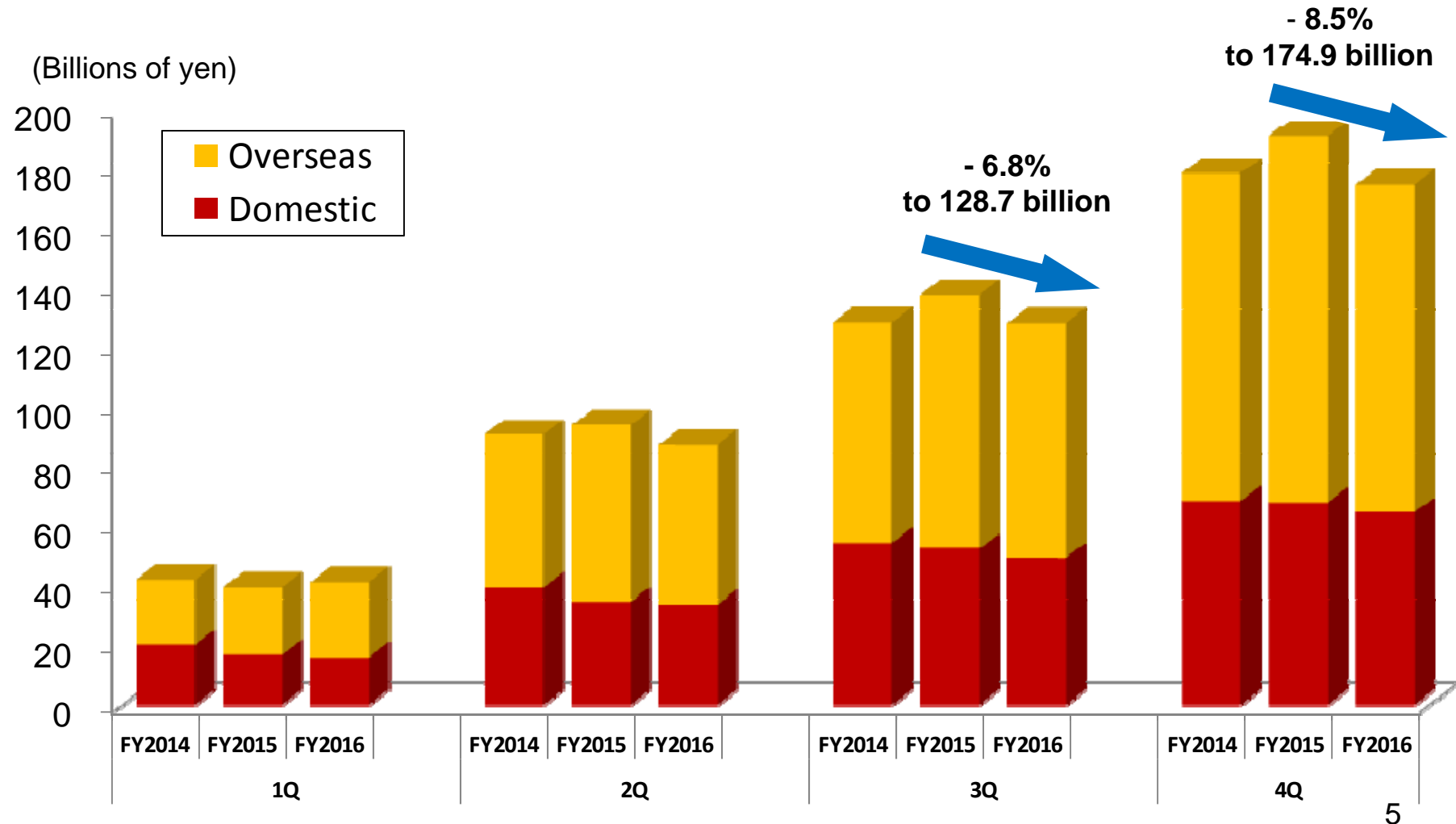
(Millions of yen)

	FY2016	Percentage (Margin)	Initial Plan	FY2015	Percentage (Margin)	Change in %
Orders Received	174,966	100.0%	-	191,282	100.0%	- 8.5%
Domestic	64,452	36.8%	-	68,003	35.6%	- 5.2%
Overseas	110,513	63.2%	-	123,279	64.4%	- 10.4%
Net Sales	167,442	100.0%	170,000	177,128	100.0%	- 5.5%
Domestic	62,797	37.5%	-	60,381	34.1%	+ 4.0%
Overseas	104,644	62.5%	-	116,747	65.9%	- 10.4%
Operating Income	12,687	7.6%	12,000	14,449	8.2%	- 12.2%
Ordinary Income	13,110	7.8%	13,000	15,162	8.6%	- 13.5%
Profit Attributable to Owners of Parent	8,564	5.1%	8,500	8,807	5.0%	- 2.8%
EPS	¥106.35	-	¥105.54	¥109.36	-	- ¥3.01

Average Exchange Rate : FY2016 1US\$=¥109, FY2015 1US\$=¥121

1-2. Orders Received – Quarterly Cumulative Comparison

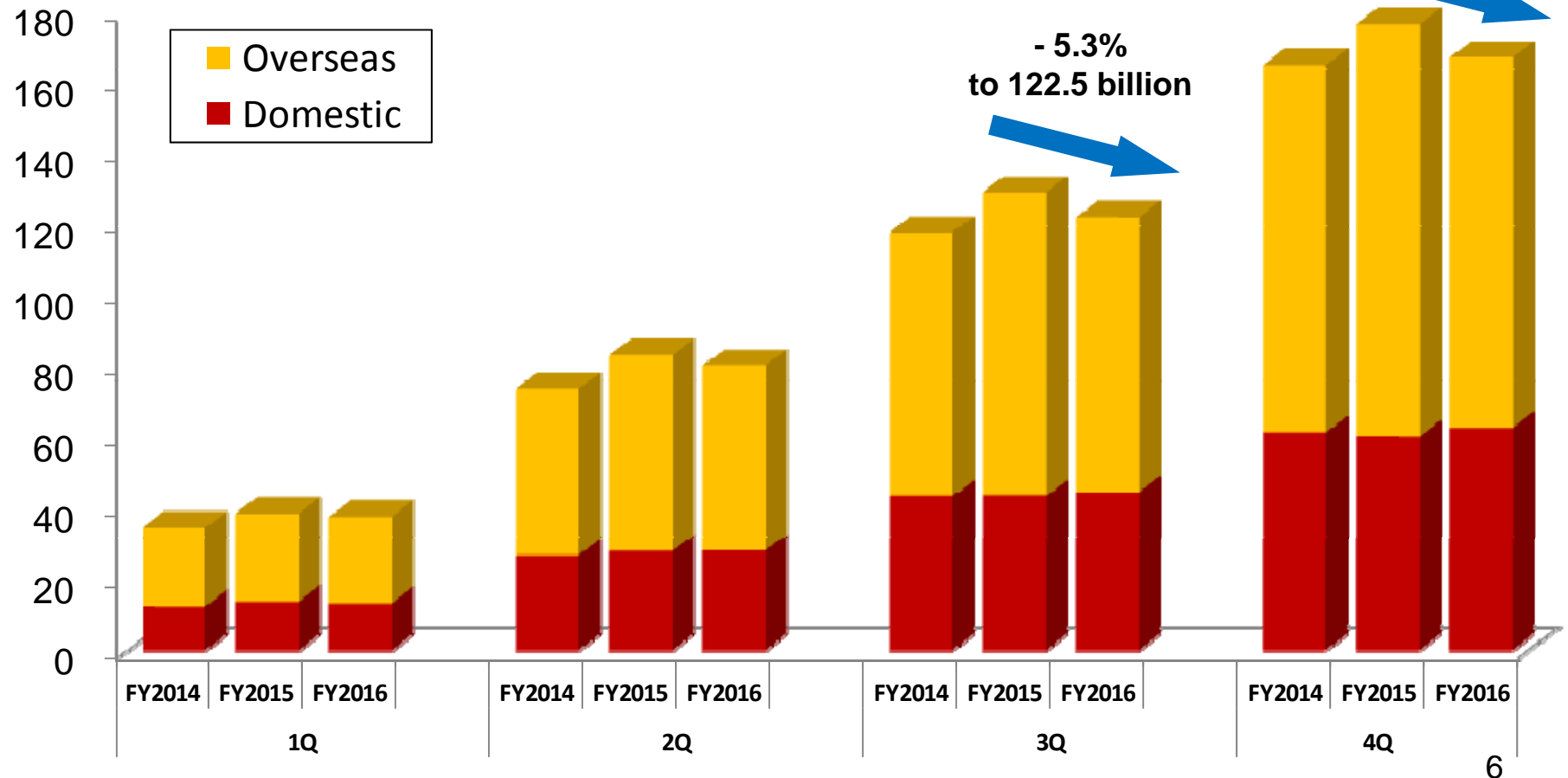
Decreased for East Asia



1-3. Net Sales – Quarterly Cumulative Comparison

Decreased for other than Japan

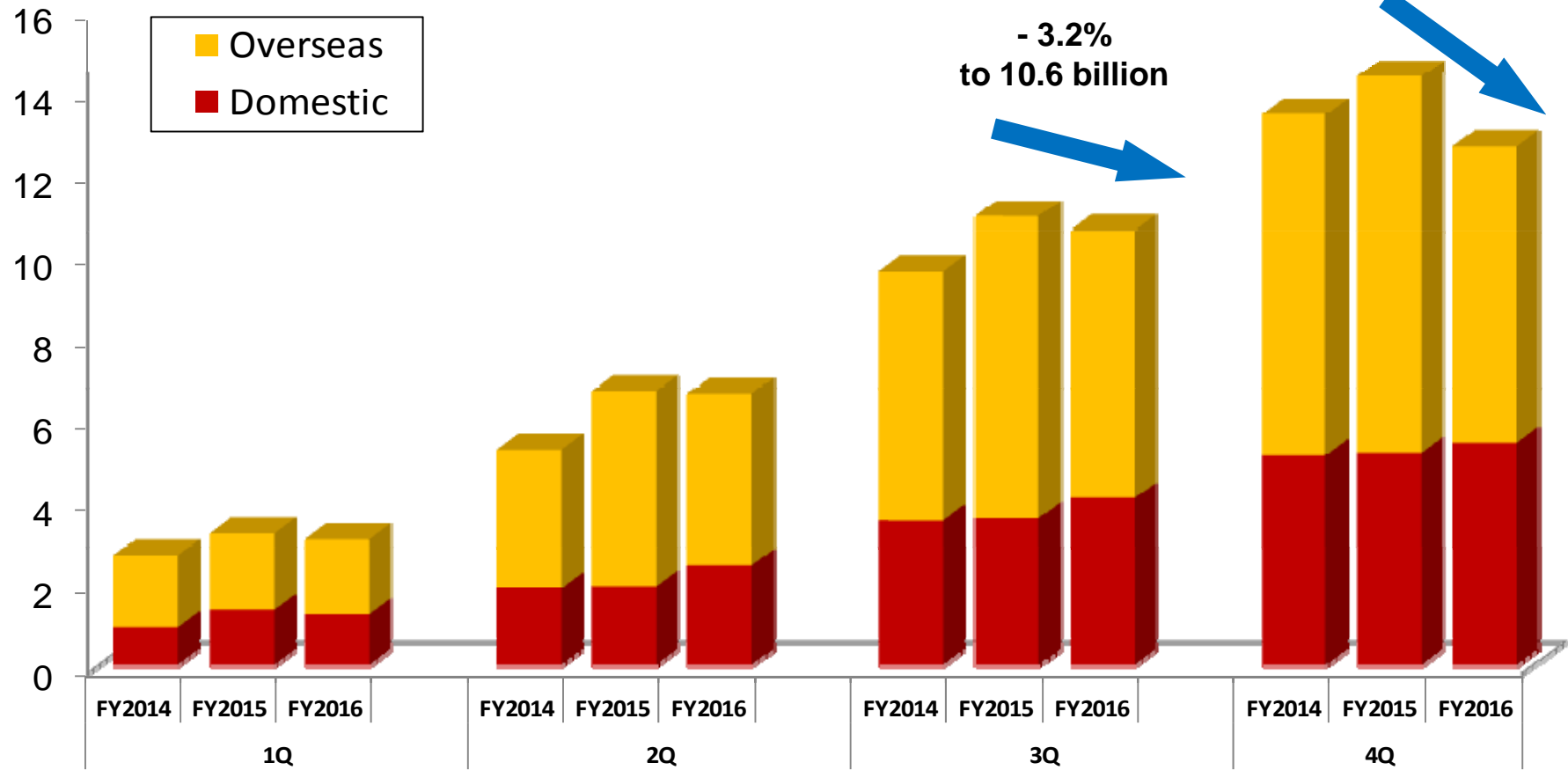
(Billions of yen)



1-4. Operating Income – Quarterly Cumulative Comparison

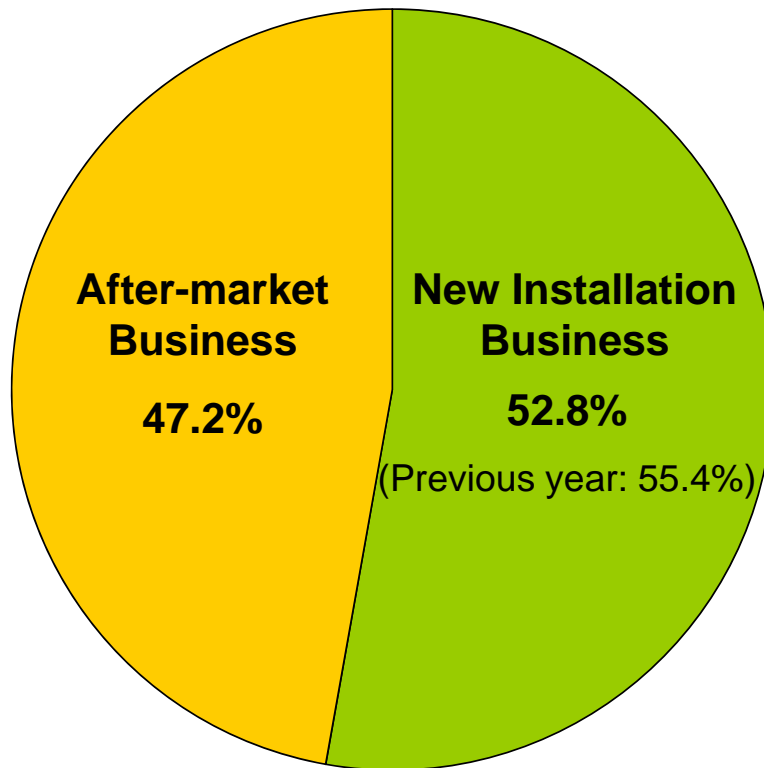
Increased Operating Income for Japan, North America and South Asia

(Billions of yen)

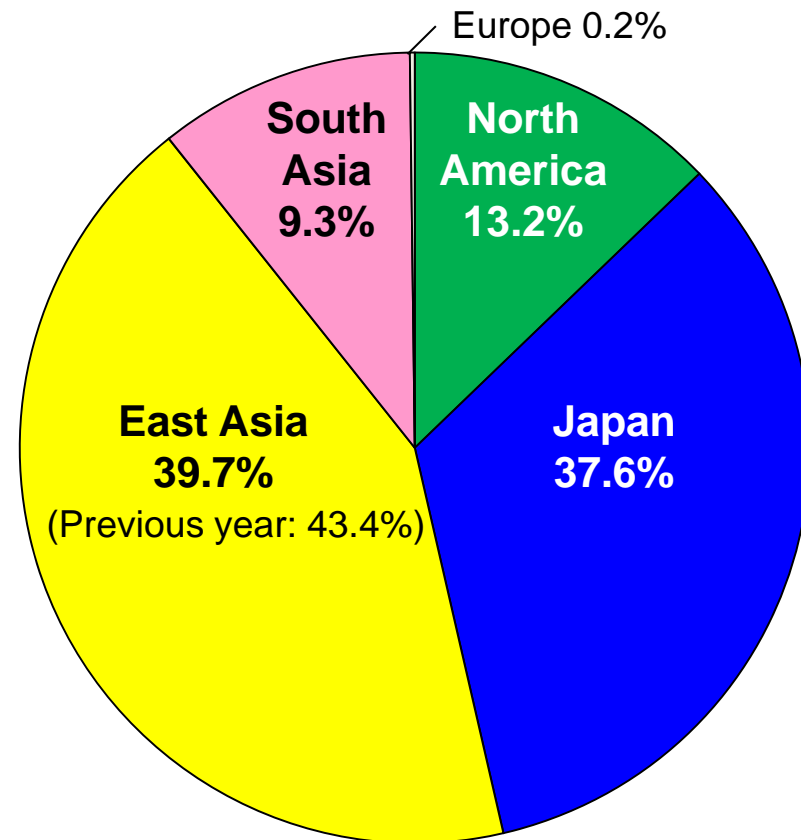


Net Sales in East Asia decreased

Net Sales by Business



Net Sales by Segment



1-6. Net Sales & Operating Income by Segment



Increased Net Sales & Operating Income for Japan and increased Operating Income for North America and South Asia

(Millions of yen)

	Net Sales			Operating Income		
	FY2016	FY2015	Change in %	FY2016	FY2015	Change
Japan	65,572	65,001	+ 0.9%	5,445	5,199	+ 245
East Asia	72,594	84,606	- 14.2%	4,540	7,500	- 2,960
North America	22,092	22,360	- 1.2%	930	137	+ 792
South Asia	15,586	17,075	- 8.7%	1,720	1,626	+ 94
Europe	407	508	- 19.8%	- 54	- 43	- 10
Total	176,254	189,552	- 7.0%	12,582	14,421	- 1,838
Reconciliations	- 8,811	- 12,423	—	105	28	+ 76
Consolidated	167,442	177,128	- 5.5%	12,687	14,449	- 1,762

Average Exchange Rate : FY2016 1US\$=¥109, FY2015 1US\$=¥121

1-7. Operating Environment – Japan

Net Sales and Operating Income reached new record highs

New Installation Business

- Despite a decrease in Orders Received, there was an increase in Net Sales and Operating Income
- Improvement in productivity absorbed fixed costs
- Decreased material costs due to the appreciation of the yen

After-market Business

- Increased Net Sales and Operating Income due to an increase in Orders Received for Maintenance, Modernization and Repair



GINZA SIX (Tokyo)



XIV Yugawara Rikyu (Kanagawa)

1-8. Operating Environment – East Asia

Decreased Net Sales and Operating Income due to intensifying competition in the Chinese market

China

- Sales prices tended to decline due to intensifying competition
- Despite an increase in units of New Orders Received, decreased amounts

Hong Kong
Taiwan
Korea

- Substantial increase in Operating Income in Hong Kong and Taiwan
- Orders Received for Modernization was steady



Hua Xia Da Yun He Kong Que Cheng (China)



Mullae Office Building (Korea)



Corinthia By The Sea (Hong Kong)

Singapore recorded increased Operating Income

Singapore

- Orders Received increased 50% year on year thanks to brisk orders for residential use products
- New Installation and After-market Businesses were steady

ASEAN
Region
India

- Increased Operating Income in Malaysia and Indonesia
- Decreased New Orders Received in India



**Plaza Arcadia
(Malaysia)**



**Cinere Terrace Suites
(Indonesia)**



Parcel F (Malaysia)

North America recorded substantially increased Net Sales and Operating Income

North America

- Increased Orders Received for New Installation and Modernization Business
- Margin improved

Europe

- Increased Net Sales in the United Kingdom
- Germany remained sluggish



99 Hudson Street (USA)

1-11. Consolidated Balance Sheet

FUJITEC

(Millions of yen)

	Mar. 31, 2017	Mar. 31, 2016	Change	Remarks
Current Assets	123,038	123,304	- 266	
Cash and Cash Equivalents	45,749	43,698	+ 2,050	Increased in South Asia
Trade Notes and Accounts Receivable	50,455	52,502	- 2,046	Decreased in East Asia
Inventories	20,661	21,075	-414	
Others	6,172	6,028	+ 143	
Fixed Assets	49,969	48,567	+ 1,402	
Property, Plant and Equipment	34,495	33,828	+ 667	Capital investment: +4,149, Depreciation: -2,503, Foreign exchange, etc.: -979
Intangible Assets	3,893	4,063	- 170	
Investments and Other Assets	11,580	10,674	+ 905	Increased in unrealized gains on securities due to stock price rise
Total Assets	173,007	171,872	+ 1,135	
Current Liabilities	64,103	66,981	- 2,878	Trade notes and accounts payable: +733, Electronically recorded obligations-operating: +559, Short-term debt: -3,630
Non-current Liabilities	5,057	4,484	+ 572	
Net Assets	103,847	100,406	+ 3,440	Retained earnings: +6,133 Foreign currency translation adjustments: -3,217
Shareholders' Equity Ratio	53.5%	51.6%	—	
BPS	¥1,148.36	¥1,102.66	+ ¥45.70	

Free Cash Flows increased

(Millions of yen)

	FY2016	FY2015	Change
Cash and Cash Equivalents at Beginning of the Year	21,833	30,602	- 8,768
Cash Flows from Operating Activities	14,360	8,932	+ 5,427
Cash Flows from Investing Activities	- 6,957	- 5,319	- 1,637
Free Cash Flows	7,403	3,612	+ 3,790
Cash Flows from Financing Activities	- 6,757	- 11,532	+ 4,774
Cash and Cash Equivalents at End of the Year	20,910	21,833	- 923

2. Fiscal Year 2017 Forecasts

2-1. Forecasts for Fiscal Year 2017

Increased Net Sales for all segments are estimated

FY2016 (Results)

(100 millions of yen)

	Net Sales	Operating Income (Margin)	
Japan	655	54	8.3%
East Asia	725	45	6.3%
North America	220	9	4.2%
South Asia	155	17	11.0%
Europe	4	- 0.5	- 13.3%
Total	1,762	125	7.1%
Reconciliations	- 88	1	-
Consolidated	1,674	126	7.6%

Average Exchange Rate: 1US\$=¥109

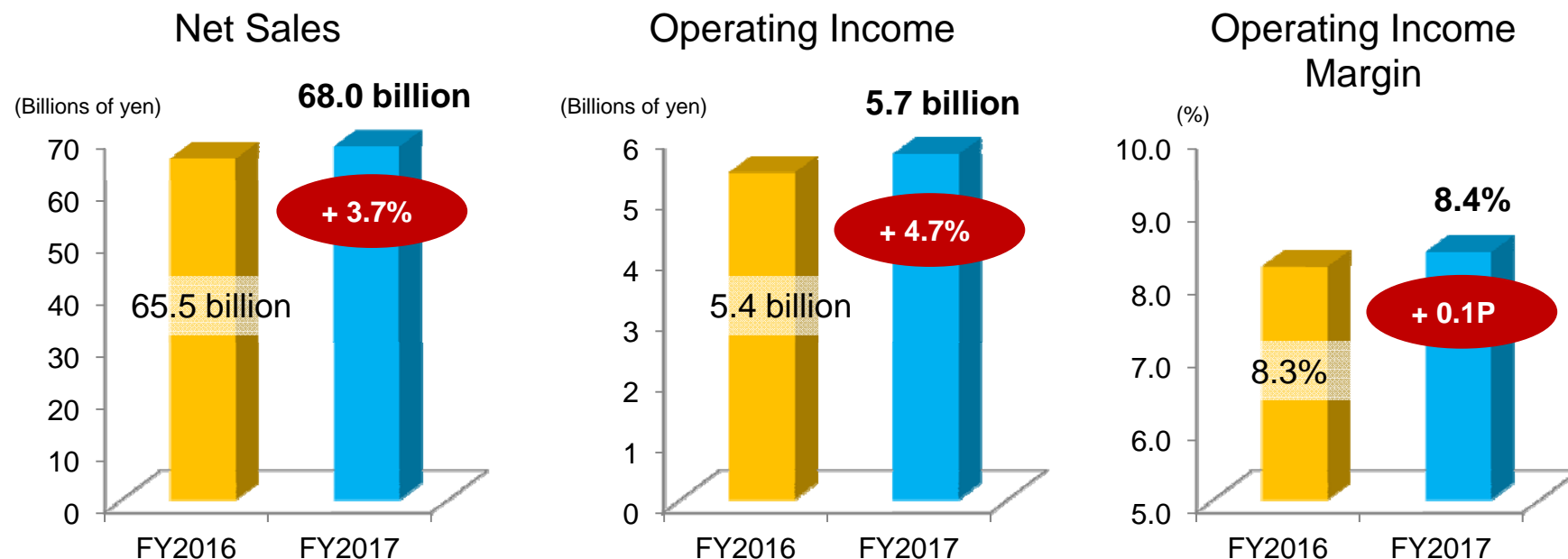
FY2017 (Forecasts)

(100 millions of yen)

	Net Sales	Operating Income (Margin)	
Japan	680	57	8.4%
East Asia	740	49	6.6%
North America	230	9	3.9%
South Asia	190	18	9.5%
Europe	5	0	-
Total	1,845	133	7.2%
Reconciliations	- 95	- 1	-
Consolidated	1,750	132	7.5%

Average Exchange Rate: 1US\$=¥110

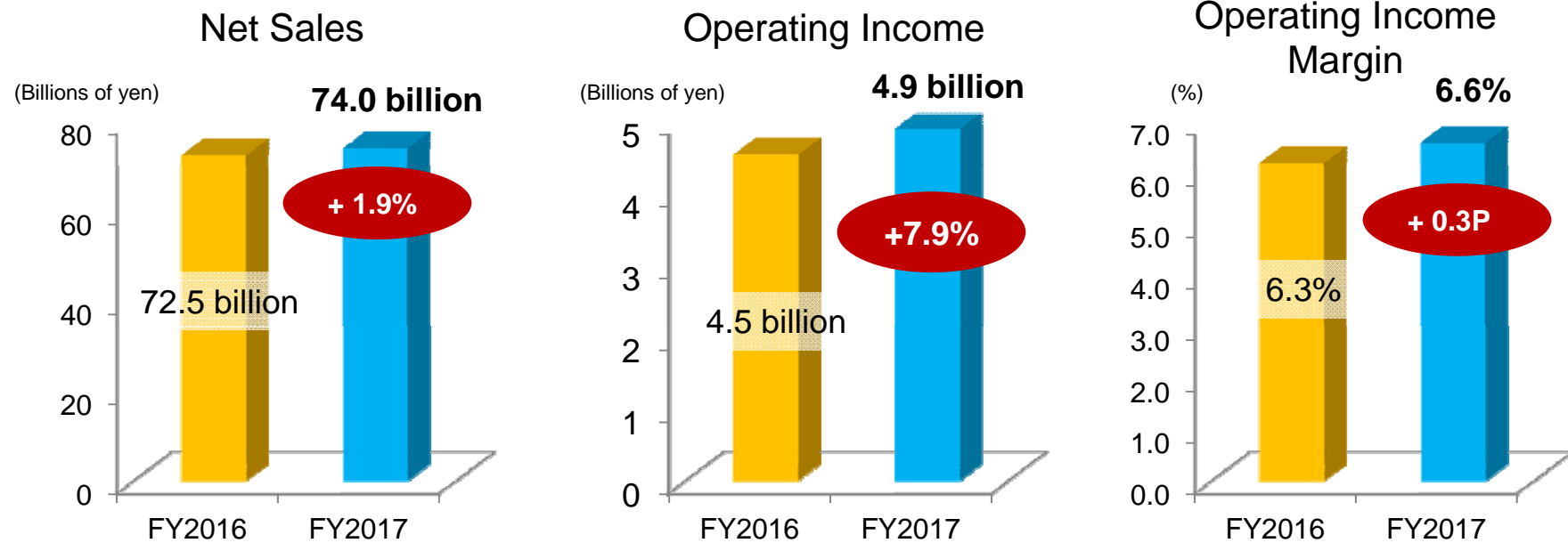
Increased Received Orders, possibly expanding market share



- New Installation Business is expected to increase Orders Received and Net Sales, centering on standard model
- After-market Businesses saw increases in Orders Received and Net Sales, driven by Maintenance
- Maintained an increase in Operating Income as higher fixed costs were absorbed by lower costs and improved productivity

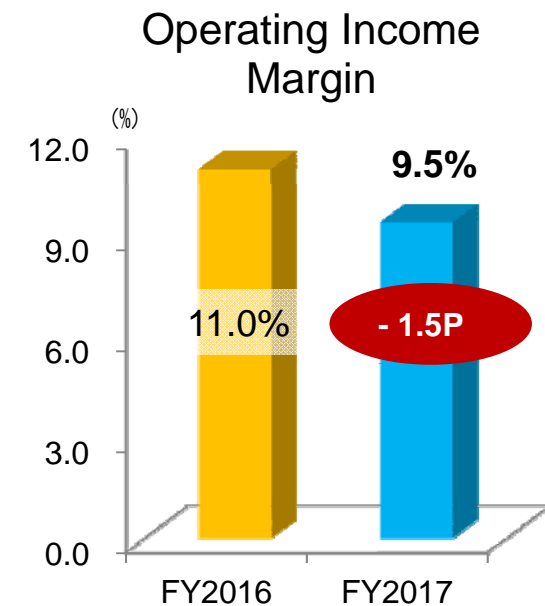
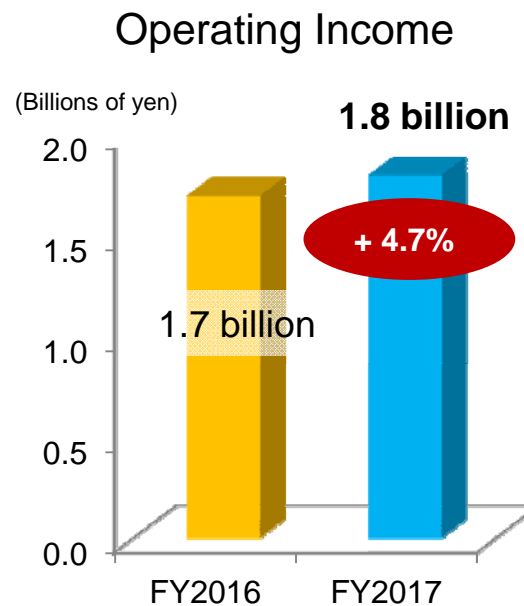
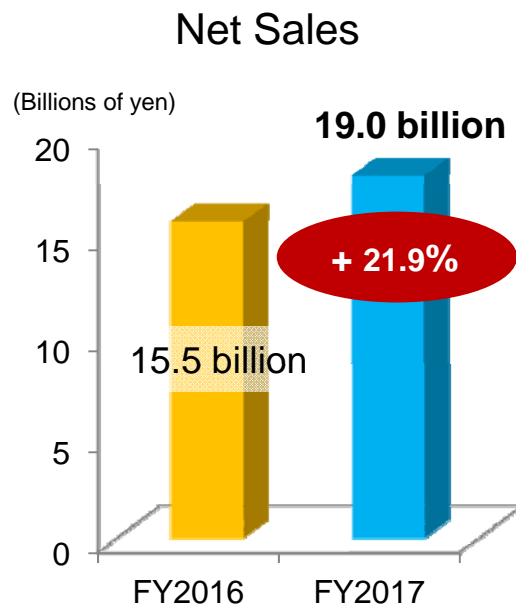
2-2. Forecasts for FY2017 by Segment (East Asia)

Earnings in China are expected to maintain the level equivalent to the previous fiscal year thanks to increased Orders Received



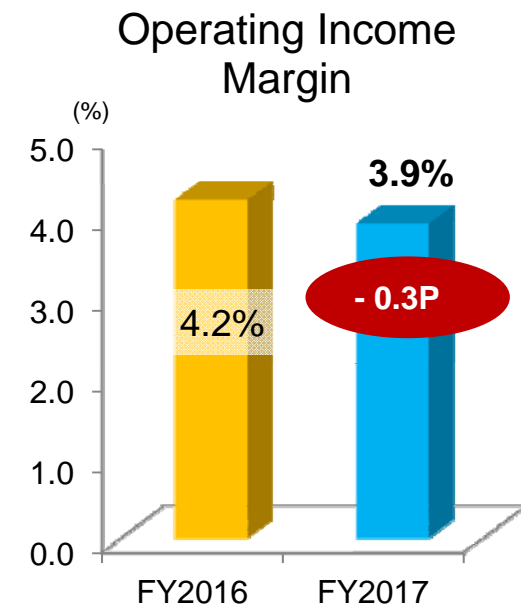
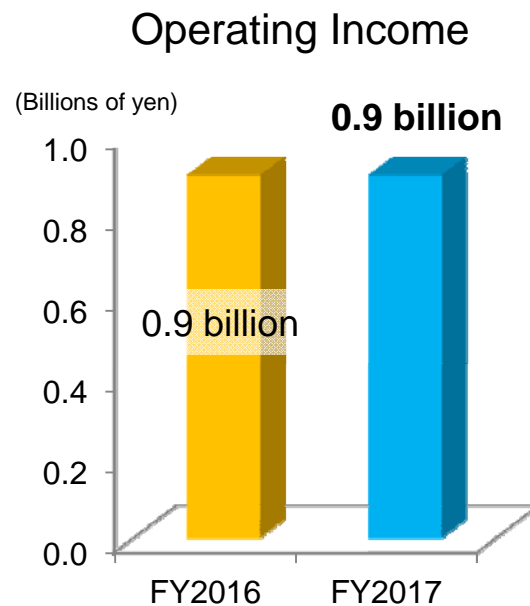
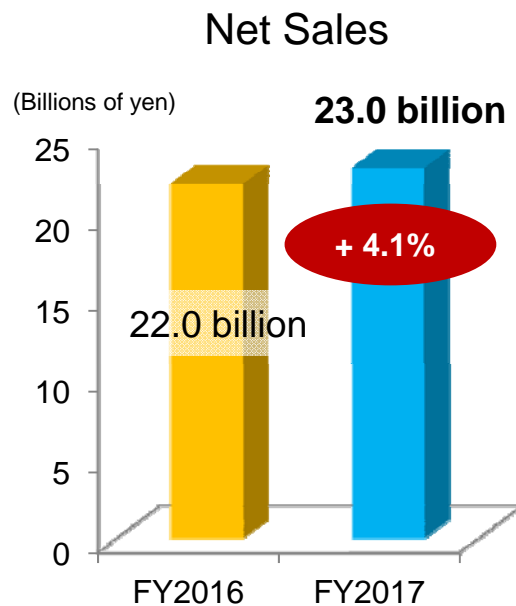
- Operations in China intend to improve profits and losses through cost reductions
- Operations in Hong Kong, Taiwan and South Korea are expected to move steadily

Net Sales and Operating Income in Singapore and ASEAN are expected to increase



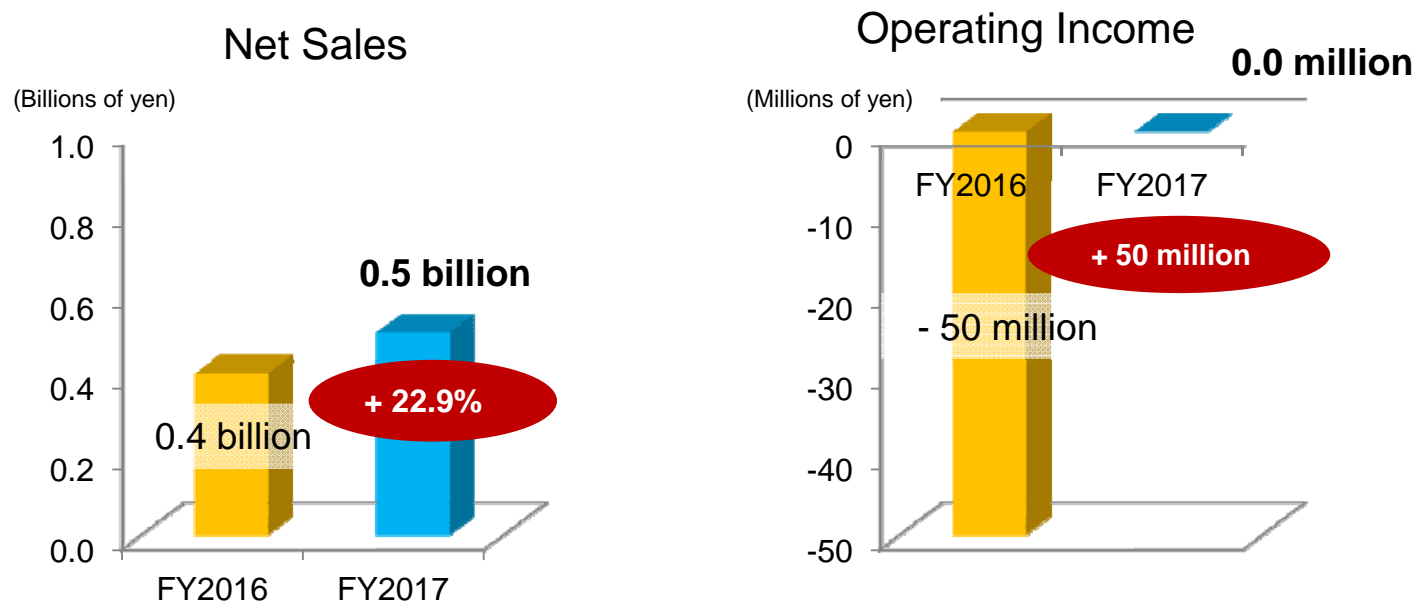
- New Installation and After-market Businesses are expected to remain steady in Singapore
- Net Sales and Operating Income in Malaysia and Indonesia are expected to increase
- Operations in India focus on expansion in sales of new model and strengthening the sales network

Net Sales in New Installation and Modernization are expected to increase and Maintenance to remain steady



- The scale and activities of businesses are expected to expand favorably
- Operating Income is expected to remain flat year-on-year

Break-even



- Aiming to break even in operations centering on the Maintenance Business

Capital Investment, Depreciation, R&D Expenses and Dividends

(Millions of yen)

	FY2017	FY2016	Change
Capital Investment	4,000	4,385	- 385
Domestic	2,600	3,314	- 714
Overseas	1,400	1,071	+ 329
Depreciation	3,000	2,751	+ 249
R&D Expenses	2,600	2,302	+ 298

(Yen)

	FY2017	FY2016	Change
Dividends	35	30	+ 5
Interim	15	15	-
Year-end	20	15	+ 5

* Forecast of Year-end Dividends for FY2017 includes 70th anniversary dividend of 5 yen

3. Actions for Mid-term Management Plan

3-1. Mid-term Management Plan



FY2018
Net Sales: 200 billion
Operating Income: 16 billion
Margin: 8.0%

FY2017
Net Sales: 175 billion
Operating Income: 13.2 billion
Margin: 7.5%

FY2016
Net Sales: 167.4 billion
Operating Income: 12.6 billion
Margin: 7.6%

3-1. Mid-term Management Plan

Increased Net Sales for all segments are estimated

FY2017

(100 millions of yen)

	Net Sales	Operating Income (Margin)	
Japan	680	57	8.4%
East Asia	740	49	6.6%
North America	230	9	3.9%
South Asia	190	18	9.5%
Europe	5	0	-
Total	1,845	133	7.2%
Reconciliations	- 95	- 1	-
Consolidated	1,750	132	7.5%

Average Exchange Rate: 1US\$=¥110

FY2018

(100 millions of yen)

	Net Sales	Operating Income (Margin)	
Japan	700	58	8.3%
East Asia	1,000	78	7.8%
North America	240	7	2.9%
South Asia	200	19	9.5%
Europe	8	0	-
Total	2,148	162	7.5%
Reconciliations	- 148	- 2	-
Consolidated	2,000	160	8.0%

Average Exchange Rate: 1US\$=¥110


Expanding Net Sales and Profits

Sales

- Promoting expansion of sales at all global sites

Profits

- Improving profit margins by reducing procurement costs
- Constructing a global supply chain



Making efforts to take measures for both aspects (Sales and Profits)

New Installation Business



- Introduction of the global standard type of elevators
- Strengthening of cooperation at escalator manufacturing sites

Modernization Business



- Expansion of demand in developed countries
- Acceleration of cooperation with the Hsinchu Factory in Taiwan

Lump-sum procurement

Produced material and machine

Centralization of procurement



- Reducing costs through lump-sum procurement

Review of global logistics



Global logistics transit hub



- Optimizing lead time
- Reducing distribution costs

Reference Information

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: 93,767,317)
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 9,832 (non-consolidated 2,875)
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 Ended March 31, 2017 results and medium-term business plan. The purpose of these materials is not to solicit investments in the company's stock or other securities. All information in this presentation is based on data currently available as of May 25, 2017. The company makes no guarantees regarding the accuracy or completeness of this information and retains the right to revise this information at any time with no prior notification.

May 25, 2017

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**Fiscal Year Ended March 31, 2017
Financial Results Presentation**

