

Semiannual Report 2012

Six months ended September 30, 2012



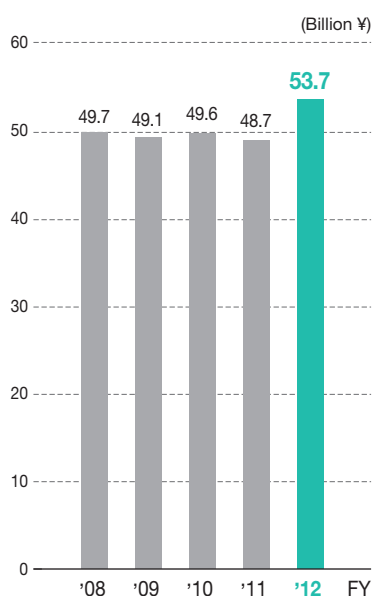
Consolidated Financial Highlights

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2012 and 2011

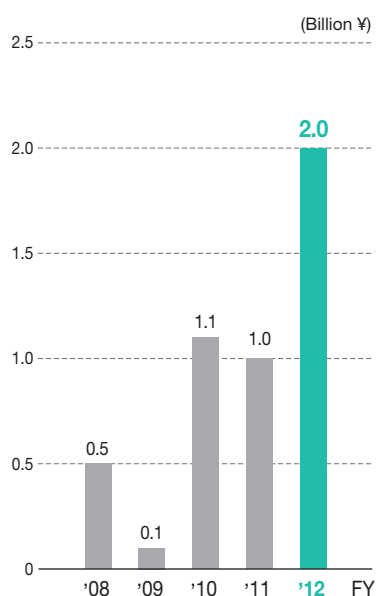
	Millions of Yen		Thousands of U.S. Dollars	Percent Change
	2012	2011	2012	2012/2011
For each period:				
Net sales	¥ 53,715	¥ 48,717	\$ 688,654	10.3%
Domestic sales	22,473	22,140	288,115	1.5%
Overseas sales	31,242	26,577	400,539	17.6%
Operating income	3,628	2,085	46,513	74.0%
Net income	1,977	1,031	25,346	91.8%
At the end of each period:				
Total assets	¥ 110,479	¥ 107,807	\$ 1,416,397	2.5%
Net assets	70,013	67,495	897,603	3.7%
Per share of common stock:				
Net income	¥ 21.14	¥ 11.02	\$ 0.27	91.8%
Interim cash dividends	6.00	5.00	0.08	—

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥78 to US\$1.
2. Net income per share amounts are computed based on the weighted average number of shares outstanding during each period.
3. The amounts of total assets and net assets in 2011 in the Consolidated Financial Highlights differ from those in the Consolidated Balance Sheets of Financial Section, because the figures in the Consolidated Financial Highlights represent amounts as they stood as of September 30, 2011, while those in the Consolidated Balance Sheets are as of March 31, 2012.

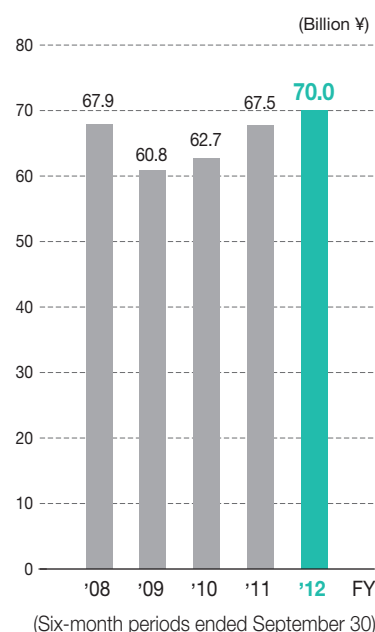
Net sales



Net income



Net assets



To Our Shareholders

Thank you very much for your continued support and encouragement.

We are pleased to report a summary of our consolidated operating results for the second quarter for the 66th year (from April 1, 2012 to September 30, 2012).

While the global economy gradually trended toward recovery in the United States, an overall global trend of deceleration has progressed due to a slowdown in the economic growth of emerging countries in Asia, which had been providing traction for the global economy, as well as the prolonged European debt crisis. The Japanese economy has maintained a gradual path of recovery with demand for reconstruction, but there were indications of stagnation due to the prolonged strength of the yen and deceleration of the global economy.

As for the elevator and escalator industry, while demand expanded steadily in China, demand in other Asian regions and North America was at a standstill and remained weak in Europe. In Japan, a recovery trend in demand was partially observed with an increase in construction of condominiums, mainly in the Kinki Region.

Under such circumstances, in the domestic market, while the modernization business, which offers improvement in comfort and safety of existing elevators at low cost and a short construction period, has steadily expanded, orders received for core elevators also increased in the new installation business. As a result, orders received were ¥27,008 million, an increase of 15.1% from the previous corresponding period. On the other hand, in global markets, due to a large increase in new installations of elevators in China, orders received overseas were ¥36,341 million, an increase of 25.2% from the previous corresponding period. As a result, total orders received were ¥63,349 million, an increase of 20.7% from the previous corresponding period.

For net sales, domestic net sales were ¥22,473 million, an increase of 1.5% from the previous corresponding period, overseas net sales were ¥31,242 million, an increase of 17.6% from the previous corresponding period, and the total net sales were ¥53,715 million, an increase of 10.3% from the previous corresponding period. For profit and loss, due to an increase in profits in Japan and East Asia, as well as an improvement in income in North America, operating income was ¥3,628 million, an increase of 74.0% from the previous corresponding period. A loss of ¥72 million was recorded for special items due to a loss on sales of investment securities and

net income for the six-month period ended September 30, 2012 was ¥1,977 million, an increase of 91.7% from the previous corresponding period. Interim cash dividend for the six-month period ended September 30, 2012 was ¥6 per share as planned at the beginning of the year.

This year, the final year of the Mid-Term Management Plan, “One Goal, One Fujitec,” the entire company made efforts to achieve the management goals. Next year, a new management plan will commence, and in global markets, we will make efforts to expand sales in Asia, centering on China for further growth and also promote a strengthening of our sales force for renewal markets expanding in Japan.

As we enter the turning point of our “65th anniversary” in February 2013, we will aim at the creation of new corporate value and make significant steps forward. I would like to ask our shareholders for their continued support.

November 2012



Takakazu Uchiyama

President and Chief Executive Officer

Outline of Major Activities

North & South America

In the United States, we received orders for 21 elevators for expansion construction of the “Children’s Hospital,” located in Philadelphia on the east coast of the U.S. In Canada, we are actively engaged in sales activities such as an order for 9 high-speed elevators and escalators for “Telus Garden,” an ultra high-rise condominium complex in Vancouver.



Children's Hospital (USA)



Japan

In Tokyo, “Tokyo Metropolitan Theatre” has completed its full renewal in September 2012. We delivered 10 elevators, including new large-scale elevators.

We received orders for a total of 15 units comprising 8 elevators and 7 escalators for “(Provisional) Muromachi East District Development Plan, 2-3 Streets,” a multi-complex facility in Nihombashi of offices, commercial facilities and housing. In addition, we will deliver 5 elevators and escalators to the first cinema complex in Nihombashi, which will be a tenant of the multi-complex facility.

In Osaka, “Umeda Hankyu Building” in front of Osaka Station opened in October after a renewal and we delivered 9 elevators, including 4 elevators for an observation deck. In Kyoto, we received orders for 9 elevators for a hotel, “(Provisional) Kyoto Kamogawa Nijo Hotel.”

In addition, we delivered a total of 9 elevators and escalators for “JR Okayama Station West Exit Building” to support the smooth and comfortable movement of passengers. We will continue to actively engage in sales that correspond to the needs of new installations and renewals.



Tokyo Metropolitan Theatre (Tokyo)

East Asia

East Asia has the largest scale for demand expansion in the world for elevators and escalators. In China, which has the largest market in East Asia, we delivered 65 escalators and moving walks for “Starlight Place,” large commercial facilities in Chongqing City, the largest city in the southwest region. The facilities opened in June 2012 and are popular as a new landmark of Chongqing. In addition, we received orders for 142 elevators and escalators for “Wangjing SOHO,” large-scale complex buildings in Beijing.

In Korea, we delivered 72 escalators and moving walks for “Lotte Mall Gimpo Airport,” a large-scale commercial complex facility, as a means of transportation of visitors.

We also received orders for 78 escalators and moving walks for “Lotte Mall Suwon Station,” multi-complex commercial facilities next to the station in Suwon City. As needs increase in Korea for more multi-complex commercial facilities year by year, we expect greater demand in the future.

In addition, in Hong Kong, we delivered 22 elevators to a large distribution facility in the Tsing Yi Port District. And we received orders for 46 elevators and escalators for “Century Gateway.” In Taiwan, a decision was made for delivery of 43 elevators and escalators for “Cathay Tainan Construction.”



Starlight Place (China)



Lotte Mall Gimpo Airport (Korea)

South Asia

Fujitec Singapore celebrated its 40th anniversary in August 2012. We have received orders for over 20,000 elevators from HDB (Singapore Housing Development Bureau) in Singapore and delivered 31 elevators and escalators to multi-complex commercial facilities “Scotts Square.”

As India has experienced significant development along with expansion of its economy, we received orders for 15 elevators for “King Fisher Tower” and 49 elevators for “Prestige Tranquility,” luxurious condominiums in Bangalore.

We will continue to expand our activities in line with the increasing market demand.



Scotts Square (Singapore)

Europe and Middle East

In Jeddah, the second largest city in Saudi Arabia, we delivered 6 elevators for the multi-complex facilities “Jameel Square,” including offices and shopping malls. The facilities are close to main roads and have the most suitable conditions for business.

In addition, in Berlin, Germany, in connection with full-scale renovation of “Staatsoper Unter den Liden,” we received orders for 9 elevators. In Europe, as there will be demand for renewal of elevators and escalators, we expect growth in the renewal business.



Jameel Square (Saudi Arabia)

Financial Section

Consolidated Financial Review

Summary of Business Performance for the Six-Month Period ended September 30, 2012

Regarding the global economy during the six-month period ended September 30, 2012, although the US economy has continued its gradual trend toward recovery, there has been a general trend toward deceleration, as evidenced by the continuing slow down in the economies of the Asian region, including China and India, and economic recession in Europe. Although the Japanese economy has maintained a path of gradual recovery with demand for reconstruction, there were indications of stagnation due to the impact from the prolonged strong yen and the decelerating economies overseas.

As for the elevator and escalator industry, while demand expanded steadily in China, demand in other Asian regions and North America was at a standstill and remained weak in Europe. In Japan, a recovery trend in demand was partially observed with an increase in construction of condominiums, mainly in the Kinki Region.

Under such circumstances, in the domestic market for the current consolidated cumulative second quarter, sales of “elevator control panel replacement packages,” which offer improvement in comfort and safety of the existing elevators at low cost and a short period for construction work, continued to expand in the modernization business. In addition, we are striving to expand sales by starting sales of “safety enforcement packages” in July, which is being subsidized by the government and corresponds to the following three items: a protection device for running with an open door, a controlling operation device with a P-wave sensor for earthquakes and earthquake strengthening. Further, as a result of an increase in orders received for new installations of “XIOR,” a standard type elevator for condominiums, domestic orders received were ¥27,008 million, an increase of 15.1% from the previous corresponding period.

In overseas markets, new installations for elevators increased significantly in China and orders received overseas were ¥36,341 million, an increase of 25.2% from the previous corresponding period.

As a result, total orders received amounted to ¥63,349 million, an increase of 20.7% from the previous corresponding period.

Consolidated Operating Results

For consolidated net sales for the six-month period ended September 30, 2012, domestic net sales were ¥22,473 million, an increase of 1.5% from the previous corresponding period, overseas net sales were ¥31,242 million, an increase of 17.6% from the previous corresponding period and total net sales were ¥53,715 million, an increase of 10.3% from the previous corresponding period.

For order backlogs, in Japan, the amount was ¥38,968 million, an increase of 13.3% as compared to the previous fiscal year-end, due to an increase in modernization projects and new installations of elevators while overseas, the amount was ¥69,152 million, an increase of 8.7% as compared to the previous fiscal year-end, due to the increase in East Asia, mainly China. As a result, total order backlogs were ¥108,121 million, an increase of 10.3% as compared to the previous fiscal year-end.

For profit and loss, operating income was ¥3,628 million, an increase of 74.0% from the previous corresponding period, due to an increase in profit in Japan and East Asia, as well as an improvement in income and expenses in North America. A loss of ¥72 million was recorded for special items due to write-down of investment securities, and income before income taxes and minority interests was ¥3,670 million, an increase of 70.3% from the previous corresponding period. Tax expenses increased ¥472 million from the previous corresponding period while net income for the sixth-month period ended September 30, 2012 was ¥1,977 million, an increase of 91.7% from the previous corresponding period.

Operating Results by Segment

In Japan, net sales were ¥23,945 million, an increase of 1.4% from the previous corresponding period, due to an increase in modernization projects. Operating income was ¥1,249 million, an increase of ¥730 million from the previous corresponding period, due to an increase in sales of modernization projects in addition to cost reductions and cutbacks in fixed costs.

In North America, net sales were ¥5,792 million, an increase of 15.1% from the previous corresponding period, due to an increase in sales both in new installations and the maintenance and service business. Operating income was ¥80 million, while operating loss of ¥409 million was recorded in the previous corresponding period, due to an improvement in profitability in new installations and an increase in the profit ratio of the maintenance and service business.

In Europe, net sales were ¥159 million, a decrease of 29.6% in the previous corresponding period, due to a decrease in sales of escalators and operating income recorded an operating loss of ¥13 million, while operating loss of ¥13 million was recorded in the previous corresponding period.

In South Asia, net sales were ¥5,089 million, an increase of 5.9% from the previous corresponding period, due to an increase in new installations. Operating income was ¥774 million, a decrease of ¥44 million from the previous corresponding period, due to an increase in the cost of new installations.

In East Asia, net sales were ¥21,577 million, an increase of 22.0% from the previous corresponding period, due to a significant increase in new installations, mainly in China and operating income was ¥1,554 million, an increase of ¥390 million from the previous corresponding period, along with an increase in net sales.

Financial Position

Total assets as of September 30, 2012 were ¥110,479 million, an increase of ¥3,266 million as compared to the previous fiscal year-end. This was mainly due to an increase in cash and deposits.

Total liabilities were ¥40,466 million, an increase of ¥1,168 million as compared to the previous fiscal year-end. This was mainly due to a decrease in short-term debt and an increase in advances from customers.

Net assets were ¥70,013 million, an increase of ¥2,098 million as compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings of ¥1,322 million. Shareholders' equity ratio as of September 30, 2012, was 58.7%, a decrease of 0.2 points as compared to the previous fiscal year-end, and net assets per share were ¥693.02, an increase of ¥18.24 as compared to the previous fiscal year-end.

Fujitec Group's operating and capital investment needs are generally met through internally or debt financing. Debt financing for the Group's operating funds is limited to short-term debt due within one year. In principle, consolidated subsidiaries will finance operating funds in their respective local currencies. As of September 30, 2012, the balance of outstanding short-term debt stood at ¥477 million. On the other hand, the Group's long-term funding requirements, such as production equipment, are met, in principle, through the financing of long-term debt. As of September 30, 2012, the balance of outstanding long-term debt (including current portion of long-term debt) was ¥1,495 million, including debt in U.S. dollars and Japanese yen.

Fujitec Group is confident that cash flows from operating activities, debt and, where necessary, funding from capital markets, will be sufficient to provide the operating funds required in the future to sustain growth of the Group as well as long-term financing essential for such capital investment as production equipment.

The Company maintains a Japanese shelf registration for the offering of straight bonds to a maximum limit of ¥10 billion.

Cash Flows

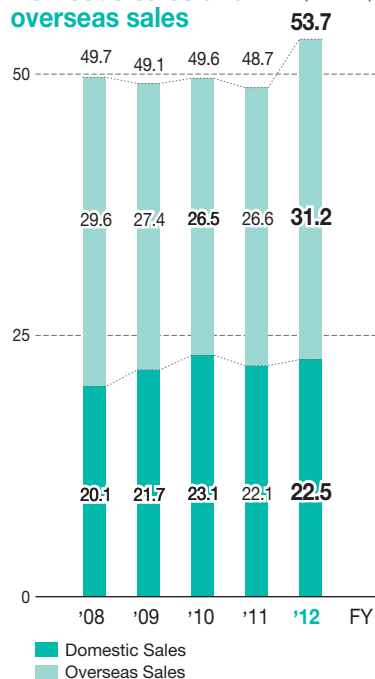
Net cash provided by operating activities was ¥5,662 million, a decrease of ¥1,677 million from the previous corresponding period, mainly due to income before income taxes and minority interest of ¥3,670 million, depreciation and amortization of ¥992 million and an increase in advances from customers.

Net cash provided by investing activities was ¥1,455 million, an increase of ¥495 million from the previous corresponding period, mainly due to a net of deposits and repayments of fixed deposits (with maturity over three months) of ¥1,909 million and the expenditure of ¥584 million for acquisitions of property, plant and equipment.

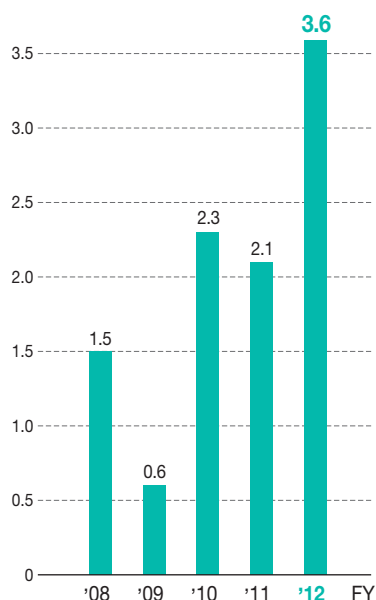
Net cash used in financing activities was ¥2,300 million, a decrease of ¥271 million from the previous corresponding period, mainly due to a decrease in time deposits of ¥1,363 million and cash dividends paid.

As a result, the balance of cash and cash equivalents as of September 30, 2012, was ¥14,790 million, an increase of ¥5,072 million as compared to the previous fiscal year-end.

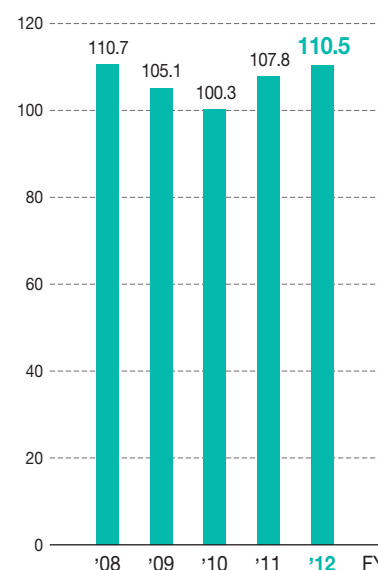
Domestic sales and overseas sales (Billion ¥)



Operating income (Billion ¥)



Total assets (Billion ¥)



Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2012	March 31 2012	September 30 2012
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 14,790	¥ 9,718	\$ 189,615
Time deposits	13,919	15,432	178,449
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	221	254	2,833
Other	25,663	25,203	329,013
Allowance for doubtful accounts	(657)	(557)	(8,423)
	25,227	24,900	323,423
Inventories	11,445	11,189	146,731
Deferred tax assets	1,588	1,586	20,359
Other current assets	2,731	2,606	35,013
Total current assets	69,700	65,431	893,590
Investments and long-term loans:			
Investments in unconsolidated subsidiaries and affiliates	657	657	8,423
Investment securities	3,067	3,624	39,321
Long-term loans	1,915	1,917	24,551
	5,639	6,198	72,295
Property, plant and equipment, at cost:			
Buildings and structures	25,453	25,324	326,321
Machinery and equipment	14,477	14,026	185,603
Leased assets	26	26	332
	39,956	39,376	512,256
Accumulated depreciation	(18,930)	(18,054)	(242,692)
	21,026	21,322	269,564
Land	6,810	6,807	87,308
Construction in progress	543	465	6,961
	28,379	28,594	363,833
Other assets:			
Deferred tax assets	2,033	2,213	26,064
Goodwill	667	695	8,551
Intangible assets	1,835	1,812	23,526
Other	2,226	2,270	28,538
Total	¥ 110,479	¥ 107,213	\$ 1,416,397

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2012	March 31 2012	September 30 2012
Current liabilities:			
Short-term debt	¥ 477	¥ 1,832	\$ 6,115
Current portion of long-term debt	227	12	2,910
Lease obligations	6	6	77
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	29	47	372
Other	11,923	11,520	152,859
Advances from customers	11,777	9,607	150,987
Accrued income taxes	754	669	9,667
Accrued bonuses to employees	1,683	1,710	21,577
Accrued bonuses to directors	—	46	—
Provision for losses on construction contracts	2,931	2,901	37,577
Other provisions	377	428	4,833
Other current liabilities	4,264	4,623	54,667
Total current liabilities	34,448	33,401	441,641
Long-term debt	1,268	1,500	16,256
Lease obligations	1	4	13
Deferred tax liabilities	58	54	744
Provision for retirement benefits	4,476	4,122	57,385
Provision for directors' retirement benefits	192	192	2,462
Asset retirement obligation for non-current liabilities	19	19	244
Other non-current liabilities	4	6	50
Total liabilities	40,466	39,298	518,795
Contingent liabilities (Note 3)			
Net assets:			
Shareholders' equity			
Common stock, no par value;			
Authorized: 300,000,000 shares			
Issued: 93,767,317 shares at September 30 and March 31, 2012	12,534	12,534	160,692
Additional paid-in capital	14,566	14,566	186,744
Retained earnings	58,550	57,228	750,641
Treasury stock, at cost: 199,013 shares at September 30, 2012 and 198,039 shares at March 31, 2012	(131)	(131)	(1,680)
	85,519	84,197	1,096,397
Accumulated other comprehensive income			
Net unrealized gains on securities	128	456	1,641
Foreign currency translation adjustments	(20,802)	(21,514)	(266,692)
	(20,674)	(21,058)	(265,051)
Minority interests	5,168	4,776	66,256
Total net assets	70,013	67,915	897,602
Total	¥ 110,479	¥ 107,213	\$ 1,416,397

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries

Six-month periods ended September 30, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
Net sales	¥ 53,715	¥ 48,717	\$ 688,654
Cost and expenses:			
Cost of sales	(41,796)	(39,051)	(535,846)
Selling, general and administrative expenses	(8,291)	(7,581)	(106,295)
	<u>(50,087)</u>	<u>(46,632)</u>	<u>(642,141)</u>
Operating income	3,628	2,085	46,513
Other income (expenses):			
Interest and dividend income	234	185	3,000
Interest expense	(32)	(50)	(410)
Foreign currency exchange loss, net	(159)	(194)	(2,039)
Other, net	71	40	910
	<u>114</u>	<u>(19)</u>	<u>1,461</u>
Special items:			
Gain on sales of property, plant and equipment	1	1	13
Gain on sales of investment securities	1	17	13
Loss on sales and disposal of property, plant and equipment	(24)	(22)	(308)
Loss on sales of investment securities	—	(7)	—
Write-down of investment securities	(50)	(50)	(641)
Settlement received	—	150	—
	<u>(72)</u>	<u>89</u>	<u>(923)</u>
Income before income taxes and minority interests	3,670	2,155	47,051
Income taxes:			
Current	801	557	(10,269)
Deferred	369	141	(4,731)
	<u>1,170</u>	<u>698</u>	<u>(15,000)</u>
Income before minority interests	2,500	1,457	32,051
Minority interests in net income of consolidated subsidiaries	523	426	6,705
Net income	¥ 1,977	¥ 1,031	\$ 25,346
Per share:			
	Yen		U.S. Dollars (Note 1)
Net income, based on the weighted average number of shares outstanding	¥ 21.14	¥ 11.02	\$ 0.27
Cash dividends applicable to the period	6.00	5.00	0.08

The accompanying notes are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Fujitec Co., Ltd. and Consolidated Subsidiaries

Six-month periods ended September 30, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
Income before minority interests	¥ 2,500	¥ 1,457	\$ 32,051
Other comprehensive income:			
Net unrealized gains on securities	(326)	(174)	(4,180)
Foreign currency translation adjustments	819	28	10,500
Other comprehensive income, net	493	(146)	6,320
Comprehensive income	¥ 2,993	¥ 1,311	\$ 38,371
Comprehensive income attributable to:			
Comprehensive Income attributable to owners of parent	¥ 2,361	¥ 835	\$ 30,268
Comprehensive Income attributable to non-controlling interests	632	476	8,103

Consolidated Statements of Cash Flows

Fujitec Co., Ltd. and Consolidated Subsidiaries

Six-month periods ended September 30, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 3,670	¥ 2,155	\$ 47,051
Depreciation and amortization	992	1,071	12,718
Increase in allowance for doubtful accounts	90	103	1,154
Interest and dividends income	(234)	(185)	(3,000)
Provision (benefit) for bonuses to employees	(35)	(183)	(449)
Provision for losses on construction contracts	8	101	103
Increase of accrued pension and severance payments	346	403	4,436
(Increase) decrease in trade notes and accounts receivable	(106)	2,193	(1,359)
Increase in inventories	(110)	(1,274)	(1,410)
Increase in trade notes and accounts payable	238	1,734	3,051
Increase in advances from customers	2,012	2,985	25,795
Gain on sales of property, plant and equipment	(1)	(1)	(13)
Loss on sales and disposal of property, plant and equipment	24	22	308
Interest expense	32	50	410
Other, net	(563)	(1,419)	(7,218)
Sub-total	6,363	7,755	81,577
Payment of income taxes	(701)	(416)	(8,987)
Net cash provided by operating activities	5,662	7,339	72,590
Cash flows from investing activities:			
Decrease in time deposits, net	1,909	1,312	24,474
Acquisitions of property, plant and equipment	(584)	(693)	(7,487)
Proceeds from sales of property, plant and equipment	1	17	13
Purchase of intangible assets	(86)	(28)	(1,103)
Proceeds from sales of investment securities	1	143	13
Interest and dividends income received	206	157	2,641
Other, net	8	52	103
Net cash provided by investing activities	1,455	960	18,654
Cash flows from financing activities:			
Decrease in short-term debt, net	(1,363)	(1,975)	(17,474)
Proceeds from long-term debt	—	216	—
Repayment of long-term debt	(5)	(6)	(64)
Payment of interest	(34)	(37)	(436)
Cash dividends paid	(654)	(654)	(8,385)
Cash dividends paid to minority shareholders	(238)	(209)	(3,051)
Other, net	(6)	94	(77)
Net cash used in financing activities	(2,300)	(2,571)	(29,487)
Effect of exchange rate changes on cash and cash equivalents	255	66	3,269
Net increase in cash and cash equivalents	5,072	5,794	65,026
Cash and cash equivalents at beginning of period	9,718	8,224	124,589
Cash and cash equivalents at end of period	¥ 14,790	¥ 14,018	\$ 189,615

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries

Six-month periods ended September 30, 2012 and 2011

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Fujitec Co., Ltd. (the “Company”) and its consolidated subsidiaries have been restructured and translated into English from the interim 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 Semiannual 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 ¥78=\$1, the prevailing exchange rate as of September 30, 2012. 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 September 30, 2012 include the accounts of the Company and the following 18 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 Corp. Ltd. (Singapore)
FSP Pte. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (Malaysia) Sdn. Bhd. (Malaysia)
Fujitec Holdings 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 interim closing date of the above consolidated subsidiaries is June 30.

In preparing the consolidated financial statements, using consolidated subsidiaries’ accounts, based on their own interim closing dates, the necessary adjustments have been made for the significant intercompany transactions incurred from the consolidated subsidiaries’ interim 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) Accounting principles

The semiannual consolidated financial statements are prepared in accordance with the same accounting principles as listed in the Notes to Consolidated Financial Statements for the fiscal year ended March 31, 2012, except for the followings:

(1) Change in Accounting Policies, Changes in Accounting Estimates and Restatement of Revisions

Changes in accounting policies that are difficult distinguish changes in accounting estimates:

Following the revision of the Corporate Tax Law, from the first quarter of this fiscal year the company began applying a depreciation method based on the revised Corporation Tax Law to property, plant and equipment acquired since April 1, 2012. The impact on consolidated financial statements as a result of this change is immaterial.

(2) Simplified accounting procedure

Depreciation of property, plant and equipment:

For property, plant and equipment depreciated using the declining balance method, planned depreciation expenses, which are applicable to the fiscal year according to a reasonable budget of property, plant and equipment, are allocated to this period on a pro-rata basis.

3. Contingent Liabilities

At September 30 and March 31, 2012, contingent liabilities are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2012	March 31 2012	September 30 2012
Trade notes receivable discounted	¥ 22	¥ 163	\$ 282

4. Subsequent Event

On November 9, 2012, the Board of Directors of the Company declared interim cash dividends of ¥561 million (US\$ 7,192 thousand), or ¥6 (US\$0.08) per share, to be paid on December 3, 2012, to shareholders.

5. Segment Information

Information by reporting segment for the six-month periods ended September 30, 2012 and 2011 is summarized as follows:

Millions of Yen								
2012								
Reporting Segment								
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	¥ 22,503	¥ 5,785	¥ 156	¥ 5,088	¥ 20,183	¥ 53,715	—	¥ 53,715
Intersegment sales	1,442	7	3	1	1,394	2,847	(2,847)	—
Total sales	23,945	5,792	159	5,089	21,577	56,562	(2,847)	53,715
Segment profit (loss)	1,249	80	(13)	774	1,554	3,644	(16)	3,628

Millions of Yen								
2011								
Reporting Segment								
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	¥ 22,163	¥ 5,022	¥ 224	¥ 4,804	¥ 16,504	¥ 48,717	—	¥ 48,717
Intersegment sales	1,447	10	2	1	1,185	2,645	(2,645)	—
Total sales	23,610	5,032	226	4,805	17,689	51,362	(2,645)	48,717
Segment profit (loss)	519	(409)	(13)	818	1,164	2,079	6	2,085

Thousands of U.S. Dollars (Note 1)								
2012								
Reporting Segment								
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	\$ 288,500	\$ 74,167	\$ 2,000	\$ 65,231	\$ 258,756	\$ 688,654	—	\$ 688,654
Intersegment sales	18,487	90	38	13	17,872	36,500	(36,500)	—
Total sales	306,987	74,257	2,038	65,244	276,628	725,154	(36,500)	688,654
Segment profit (loss)	16,013	1,026	(167)	9,923	19,923	46,718	(205)	46,513

Global Network

The Americas

United States

Fujitec America, Inc.

R&D, manufacturing, marketing,
installation and maintenance

Canada

Fujitec Canada, Inc.

Marketing, installation and
maintenance

Guam

Fujitec Pacific, Inc.

Marketing, installation and
maintenance

Venezuela

Fujitec Venezuela C.A.

Marketing, installation and
maintenance

Argentina

Fujitec Argentina S.A.

Marketing, installation and
maintenance

Uruguay

Fujitec Uruguay S.A.

Marketing, installation and
maintenance

Overseas Office

Dubai

Japan

Fujitec Co., Ltd.

R&D, manufacturing, marketing,
installation and maintenance

South Asia

Singapore

Fujitec Singapore Corp. Ltd.

R&D, manufacturing, marketing,
installation and maintenance

FSP Pte. Ltd.

Installation and maintenance

Malaysia

Fujitec (Malaysia) Sdn. Bhd.

Marketing, installation and
maintenance

Indonesia

P. T. Fujitec Indonesia

Manufacturing, installation and
maintenance

Vietnam

Fujitec Vietnam Co., Ltd.

Marketing, installation and
maintenance

Philippines

Fujitec, Inc.

Marketing, installation and
maintenance

India

Fujitec India Private Ltd.

Manufacturing, marketing,
installation and maintenance

Thailand

Fujitec (Thailand) Co., Ltd.

Marketing, installation and
maintenance

East Asia

China

Huasheng Fujitec Elevator Co., Ltd.

Manufacturing, marketing,
installation and maintenance

Shanghai Huasheng Fujitec
Escalator Co., Ltd.

Manufacturing, marketing,
installation and maintenance

Fujitec Shanghai Sourcing Center Co., Ltd.

Procurement and manufacturing

Fujitec Shanghai Technologies Co., Ltd.

Research and development

Hong Kong

Fujitec (HK) Co., Ltd.

Manufacturing, marketing,
installation and maintenance

Taiwan

Fujitec Taiwan Co., Ltd.

Manufacturing, marketing,
installation and maintenance

Korea

Fujitec Korea Co., Ltd.

Manufacturing, marketing,
installation and maintenance

Europe and Middle East

Germany

Fujitec Deutschland GmbH

Marketing, installation and
maintenance

United Kingdom

Fujitec UK Ltd.

Marketing, installation and
maintenance

Saudi Arabia

Fujitec Saudi Arabia Co., Ltd.

Marketing, installation and
maintenance

Egypt

Fujitec Egypt Co., Ltd.

Marketing, installation and
maintenance

Board of Directors

President and Chief Executive Officer
Takakazu Uchiyama*

Executive Vice President
Iwataro Sekiguchi*

Directors
Narayanapillai Sugumaran
Takao Okada
Mitsunori Shirakura
Yasuo Hanakawa
Kazuo Inaba

*Representative director

Corporate Auditors

Masahiko Nogi
Yoshio Kitagawa
Masanobu Nakano
Terumichi Saeki

(As of September 30, 2012)

Shareholders' Information

Fujitec Co., Ltd.
Big Wing, Hikone,
Shiga 522-8588, Japan
Telephone: +81-749-30-6650
Facsimile: +81-749-30-7057

Date of Establishment February 9, 1948

Paid-in Capital ¥12,533,933,095

Common Stock
Authorized: 300,000,000 shares
Issued: 93,767,317 shares
Number of shareholders: 3,481

Major Shareholders

	Number of shares held (Thousands)	Share holding ratio (%)
Citigroup Global Markets Inc. - Securities Safekeeping Account 418	14,212	15.15%
Uchiyama International, Limited	10,025	10.69%
Fuji Electric Co., Ltd.	5,089	5.42%
MLPFS Custody Account	4,548	4.85%
Resona Bank, Ltd.	4,203	4.48%
The Master Trust Bank of Japan, Ltd. (trust account)	3,563	3.79%
Japan Trustee Services Bank, Ltd. (trust account 4)	3,137	3.34%
Mellon Bank Treaty Clients Omnibus	2,150	2.29%
Japan Trustee Services Bank, Ltd. (trust account)	2,140	2.28%
Mizuho Corporate Bank, Ltd.	1,989	2.12%

Annual Meeting of Shareholders

The annual meeting of shareholders of the Company is normally held in June each year in Hikone, Shiga, Japan

Stock Exchange Listings

Tokyo stock exchanges

Transfer Agent

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Business office:
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Department
5-33, Kitahama 4-chome, Chuo-ku, Osaka, 540-8639, Japan

Auditors

Grant Thornton Taiyo ASG LLC

(As of September 30, 2012)