FUJITEC

Annual Report 2013

Year ended March 31, 2013

Contents

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, fluctuation, uncertainty of economic conditions, competition in the construction industry, demand, foreign exchange rates, tax systems, laws and regulations. In conclusion, Fujitec wants to caution readers that actual results may differ materially from those projected.

Xiexin Cheng Xingguang Times Squares (Chongqing, China)

5-Year Summary

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

	Millions of Yen					Thousands of U.S. Dollars
	2013	2012	2011	2010	2009	**2013**
For the year:						
Net sales	**¥ 117,468**	¥ 105,061	¥ 102,053	¥ 106,137	¥ 107,609	**$ 1,249,660**
Domestic sales	**49,805**	47,948	48,569	48,067	45,781	**529,840**
Overseas sales	**67,663**	57,113	53,484	58,070	61,828	**719,820**
Operating income	**9,172**	5,363	5,221	5,288	2,569	**97,575**
Net income (loss)	**5,507**	2,607	7,569	4,061	(649)	**58,585**
Comprehensive income	**12,043**	2,206	4,764	–	–	**128,117**
R&D expenses	**1,930**	1,971	1,841	1,882	2,008	**20,532**
Capital investment	**1,614**	1,354	1,665	6,564	2,733	**17,170**
Depreciation and amortization	**2,083**	2,204	2,254	2,365	2,600	**22,160**
Acquisition of property, plant and equipment	**1,544**	1,338	2,914	5,425	2,313	**16,426**
At year-end:						
Total assets	**¥ 122,643**	¥ 107,213	¥ 104,817	¥ 111,099	¥ 100,823	**$ 1,304,713**
Net assets	**78,272**	67,915	67,161	64,056	59,810	**832,681**
Cash flows:						
Cash flow from operating activities	**¥ 7,913**	¥ 9,685	¥ 9,157	¥ 6,701	¥ 8,431	**$ 84,181**
Cash flow from investing activities	**(232)**	(3,952)	(2,630)	(6,308)	(14,185)	**(2,468)**
Cash flow from financing activities	**(3,048)**	(4,179)	(5,672)	(3,143)	(782)	**(32,426)**
Cash and cash equivalents at end of year	**15,519**	9,718	8,224	7,840	9,389	**165,096**
	Yen					U.S. Dollars
Per share of common stock:						
Net income (loss)	**¥ 58.87**	¥ 27.86	¥ 80.89	¥ 43.40	¥ (6.94)	**$ 0.63**
Net assets	**768.64**	674.78	671.24	636.25	591.87	**8.18**
Cash dividends	**16.00**	12.00	12.00	10.00	10.00	**0.17**
Index:						
Shareholders' equity ratio	**58.6%**	58.9%	59.9%	53.6%	54.9%	**–**
Return on Shareholders' equity	**8.2%**	4.1%	12.4%	7.1%	(1.1%)	**–**

Notes:
1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥94 to US$1.
2. During FY 2010, the accounts of Fujitec Shanghai Sourcing Center Co., Ltd. (China) were newly included in the consolidation.
3. During FY 2011, the accounts of Fujitec Holdings Sdn. Bhd. (Malaysia) were newly included in the consolidation.
4. During FY 2011, the accounts of Fujitec Vietnam Co., Ltd. and Fujitec, Inc. (Philippines) were removed from the consolidation.
5. During FY 2012, the accounts of Fujitec (Thailand) Co., Ltd. were newly included in the consolidation.
6. Net income (loss) per share amounts are computed based on the weighted average number of shares outstanding during each year. Net assets per share amounts are computed based on the number of shares outstanding at each year-end.

Fujitec will make more tremendous breakthroughs in global markets than ever before.

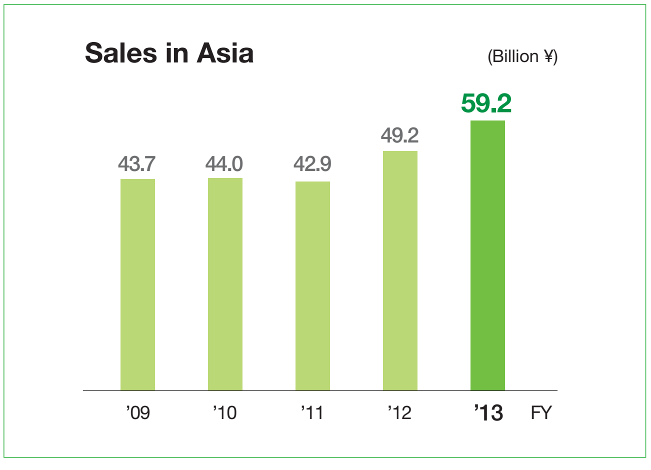
Takakazu Uchiyama President and Chief Executive Officer

Fujitec has launched its new Mid-Term Management Plan this year, raising the new slogan, "Grow Together, Yes, Fujitec Can," subsequent to "One Goal, One Fujitec." Through the interview with Mr. Takakazu Uchiyama, Fujitec President and Chief Executive Officer, we will see an overview of the Fujitec 66th fiscal-year business results and grasp the purpose of Fujitec's New Mid-Term Management Plan. (Fujitec 66th annual financial statement was released in March 2013.)

First, could you please brief us on the elevator- and escalator- market situation in your 66th fiscal year?

Demand for new installations in China was strong and, I think, this market trend will continue in China.

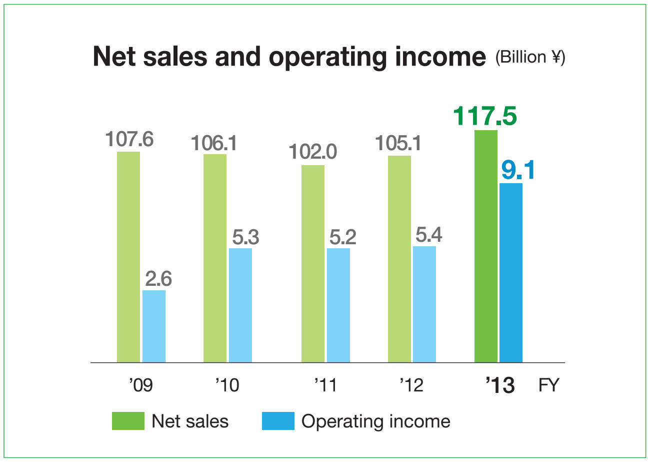
During our 66th consolidated fiscal year, China, the world's largest market, occupied an important leading position with approximately 450,000 units a year in global new installation markets. I think this market trend is going to continue. Also, demand for new installations is increasing every year in Asian countries achieving the remarkable economic growth, such as India, Malaysia and Indonesia. Meanwhile, in developed countries, the recent easy-money policy allowed the U.S.A to remain on track for economic recovery, and many new land development projects in the Tokyo metropolitan area improved the market situation in Japan.

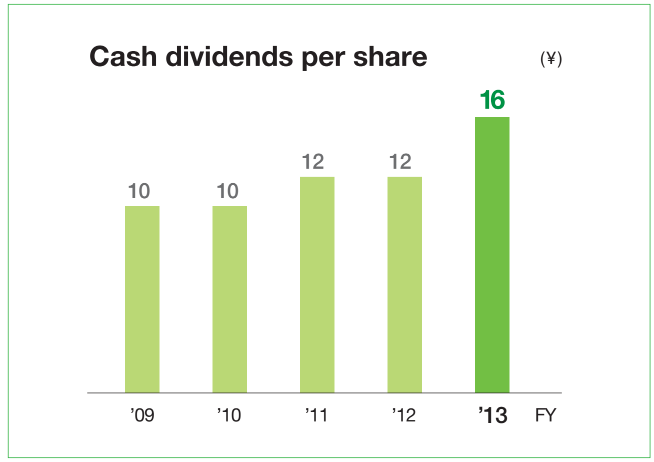


Could you please tell us about your company's business results for the 66th fiscal year?

Our business results hit record highs in total sales, operating income, and current profit.

In our 66th fiscal year, all of the Fujitec group companies got together as one team and made a team effort to accomplish the target set under the management slogan, "One Goal, One Fujitec." Successfully, our business results marked increases in both sales and profit; as a result, we achieved the goal set for this fiscal year. This record also brought the highest sales, operating income and current profit for our business. On a regional basis, group companies in East Asia and Japan marked increases in both sales and profit. South Asia showed sales increases in the new installation market.





In developed countries and regions, our subsidiaries in North America turned their business results back into positive figures; however, Europe, on the other hand, marked decreases in both sales and profit.

What specific new strategies will be implemented during the new Mid-Term Management Plan?

I will implement aggressive business management strategies in order to expand our share in each of our global markets.

Under the new slogan, "Grow Together! Yes, Fujitec Can," I will launch new strategies to expand our market share in every region of the globe. Also, our companies will aim for further business expansion, providing a variety of different types of elevators and escalators as a full-line producer in order to satisfy differing client needs. We will establish a marketing position as a full-line producer and proceed aggressively to reorganize our current global supply chain. Through this process, we will also aim to increase our significant presence as a very competitive product manufacturer and supplier in global markets.

Finally, could you please convey a message to all stockholders?

Our 66th fiscal year had very significant events such as the company's 65th anniversary and the closing year of our former Mid-Term Management Plan. In such a memorable year, our annual financial results hit record highs and achieved specific positive, satisfactory figures. Based on this record of achievements, our company has declared a fiscal year-end dividend of 10 yen per share - an ordinary year-end dividend of 6 yen (3 yen above the last semiannual dividend) plus the 65th anniversary dividend of 4 yen per share. I sincerely appreciate the stockholders' support for our business activities. Our company will continuously expand market share and struggle to make more enormous breakthroughs in global markets. Fujitec personnel and I will always appreciate our stockholders' support and will continue to make our utmost efforts in order to meet their expectations.

June 25, 2013

Takakazu Uchiyama
President and Chief Executive Officer

Grow Together!

Yes, Fujitec Can

Our new Mid-Term Management Plan starts!

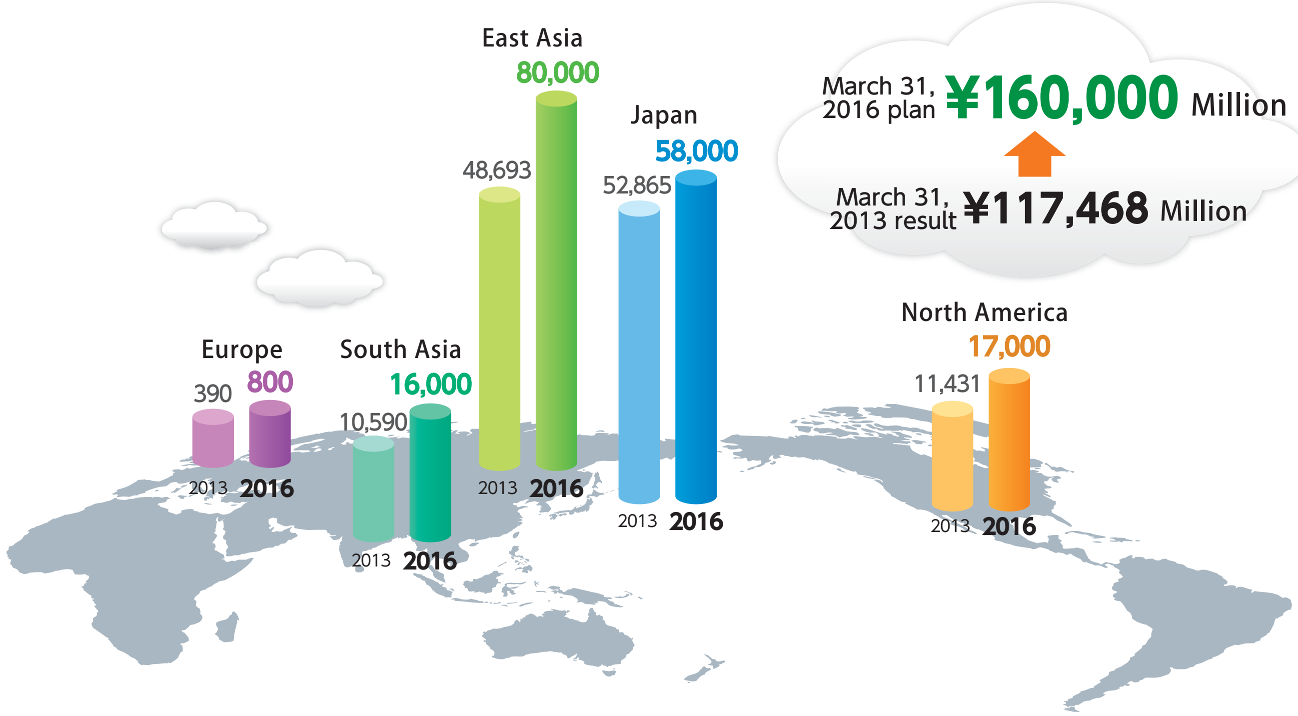
Fujitec has started a new Mid-Term Management Plan this year under the slogan, “Grow Together! Yes, Fujitec Can,” subsequent to the former slogan, “One Goal, One Fujitec.” Under the new slogan, all Fujitec Group Companies will get together as one team and proceed with aggressive business activities in global markets.

Overall outline

The new Mid-Term Management period overlaps the final-action phase of the Long-Term Management Plan, where the slogan is “Top Quality for Customers.” During this important business period, we will expand market share and increase our significant presence in global markets. We have created the following four strategic visions, in order to achieve total consolidated sales of 160,000 million yen and operating margins of 8% in the final year (March 31, 2016) of our new Mid-Term Management period.

Four key objectives to achieving this plan

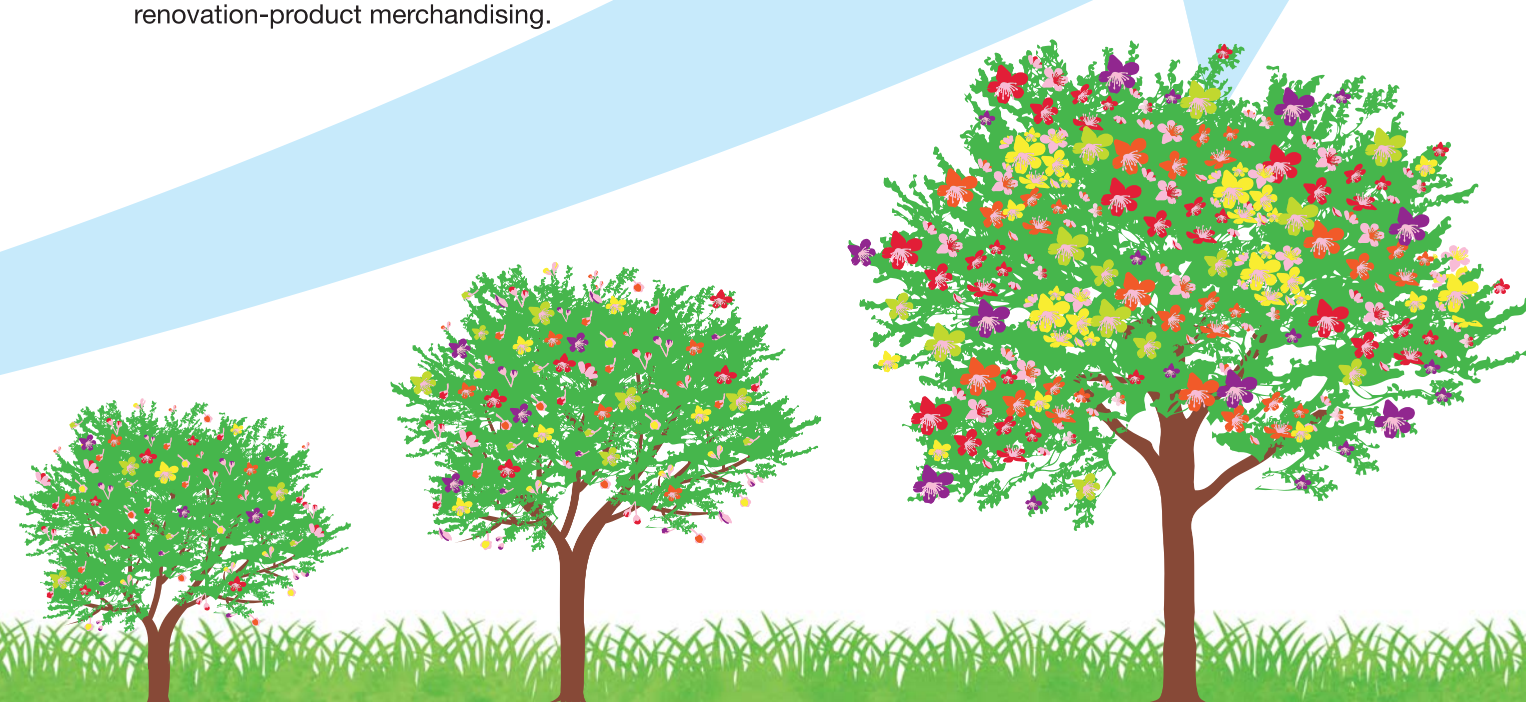
(1) Enhance Fujitec’s ability to supply products and be cost competitive as a full-line producer in the global market
(2) Accelerate Fujitec’s production reorganization in the Asia region, including Japan, to revamp its global supply chain
(3) Place the highest priority on safety and quality to continue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



Key operation points

1. Fujitec will increase market share in each of the developing countries and regions, where the new installation market is expanding. In developed countries, on the other hand, demand for elevator and escalator renovation work is increasing in the aftermarket business, so that Fujitec will immediately and aggressively strengthen renovation-product merchandising.

2. Fujitec will manage and optimize all departments (such as marketing, development and design, procurement, production, distribution, and field services) in each region to function as one global organization in order to strengthen product cost competitiveness and quality.

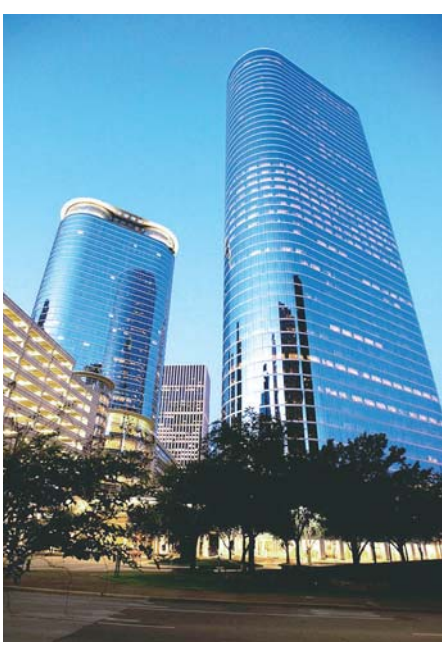


Globally Expanding Fujitec Corporate Brand

Celebrating the company's 65th anniversary, the Fujitec Corporate Brand will provide a safer, more secure environment for our users and clients on the globe. In this double-page feature, we will provide an overview of our major projects throughout the world.

Fujitec divides global markets into five regions and conducts intensive business activities by grasping each region as one market segment.

Overseas sales compared to domestic sales have been increasing every year as shown in the Fujitec consolidated annual financial statement. This trend in Fujitec sales in the overseas markets was remarkable in 2012.



CHEVRON 1400 SMITH

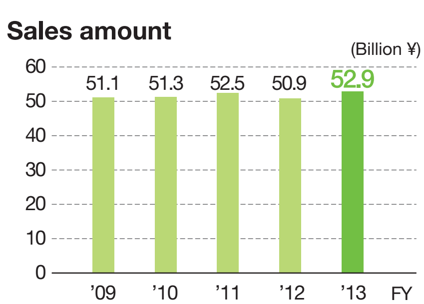
Japan

MARK IS shizuoka

54-unit order for elevators and escalators received for a private university in Tokyo

The new installation market expanded in Japan. In Tokyo, Fujitec received an order for a total of 54 elevators and escalators in "Teikyo University Hachioji Campus" and provided 20 elevators and escalators in total for a complex building redevelopment project located in the Nihonbashi Muromachi-Higashi District.

Additionally, in Shizuoka prefecture, Fujitec completed the installation of 36 escalators for "MARK IS shizuoka."



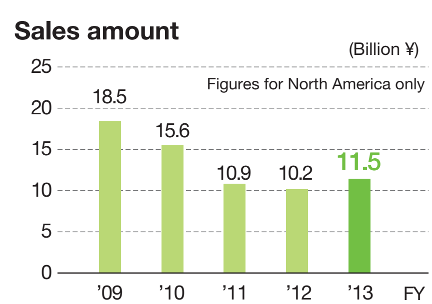
North & South America

Ezeiza International Airport

40-unit modernization of elevators and escalators received in the U.S.A

Both new installation and modernization market expanded in the North and South America. Fujitec received an order for the modernization of 40 elevators and escalators in the "CHEVRON 1400 SMITH" in Houston, U.S.A.

In Buenos Aires, the capital city of Argentina, Fujitec completed the installation of 26 elevators and escalators for "Ezeiza International Airport."



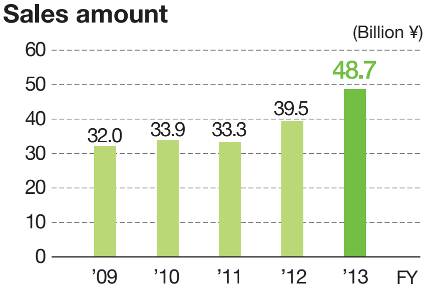
East Asia

Wangjing SOHO

154-unit order for escalators received in China

In East Asia, China led the market as before. In Beijing, China, Fujitec received an order for 142 elevators and escalators for “Wangjing SOHO,” as well as an order for 154 escalators for “Beijing Subway Line No. 7.” In Chongqing City, Fujitec received an order for 65 escalators and autowalks for “Xiexin Cheng Xingguang Times Squares.”

Sales amount



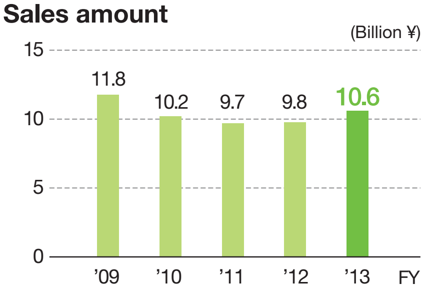
South Asia

The Star Performing Arts Centre

68-unit order received for an air gateway project for Vietnam

South Asia expanded the market along with the regional economic growth. Fujitec received an order for 68 elevators and escalators for “Passenger Terminal 2 at Noi Bai International Airport” in Hanoi, the capital city of Vietnam. In addition, in Singapore, 65 units of elevators, escalators, and autowalks in total were installed at “The Star Performing Arts Centre.”

Sales amount



Europe & Middle East

King Abdulaziz University

74-unit order received in Jeddah, Saudi Arabia

In the Middle East, the new installation market expanded. In Mecca, a major city in Saudi Arabia, the installation of 111 elevators and escalators was completed in “Hidayah Project.” Also, in Jeddah, a major city in Saudi Arabia, Fujitec completed the installation of 74 elevators at “King Abdulaziz University.”

Corporate Governance

Basic policy

Our company mission shall be “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.” In order to accomplish this mission, Fujitec believes that it is essential to gain stockholders’ trust and fulfill our social responsibilities.

With that belief, we sincerely recognize that the top priority of management is to improve and strengthen corporate governance so that Fujitec will enhance the management structure based on the principles of fairness and transparency, as well as do our utmost to make accurate management decisions and ensure immediate business implementation.

Internal control system

Our company, Fujitec, has already enacted the Basic Policy on Internal Control based on the Global Mission Statement, Fujitec Philosophy of Human Resource Management and Fujitec Corporate Action Rules. According to the Basic Policy on Internal Control, Fujitec has established the Internal Audit Office and promotes activities to work in a systematic and effective manner.

This Office contributes to work process visualization of all business execution departments when management assessment or audits are made concerning internal control.

Risk management

The Company has established the Risk Management Committee, chaired by the CEO, to achieve early detection and prevention of risks in order to eliminate or minimize business risks and those that may influence society, such as problems of morals/compliance, environment and quality. The Company established the Risk Management Operation Committee and the Information Security Committee as a subordinate organization that collects information, gives guidance, administers the system, and takes prompt action against potential risks around the Company in order to effectively implement corporate-wide risk management systems.

Compliance

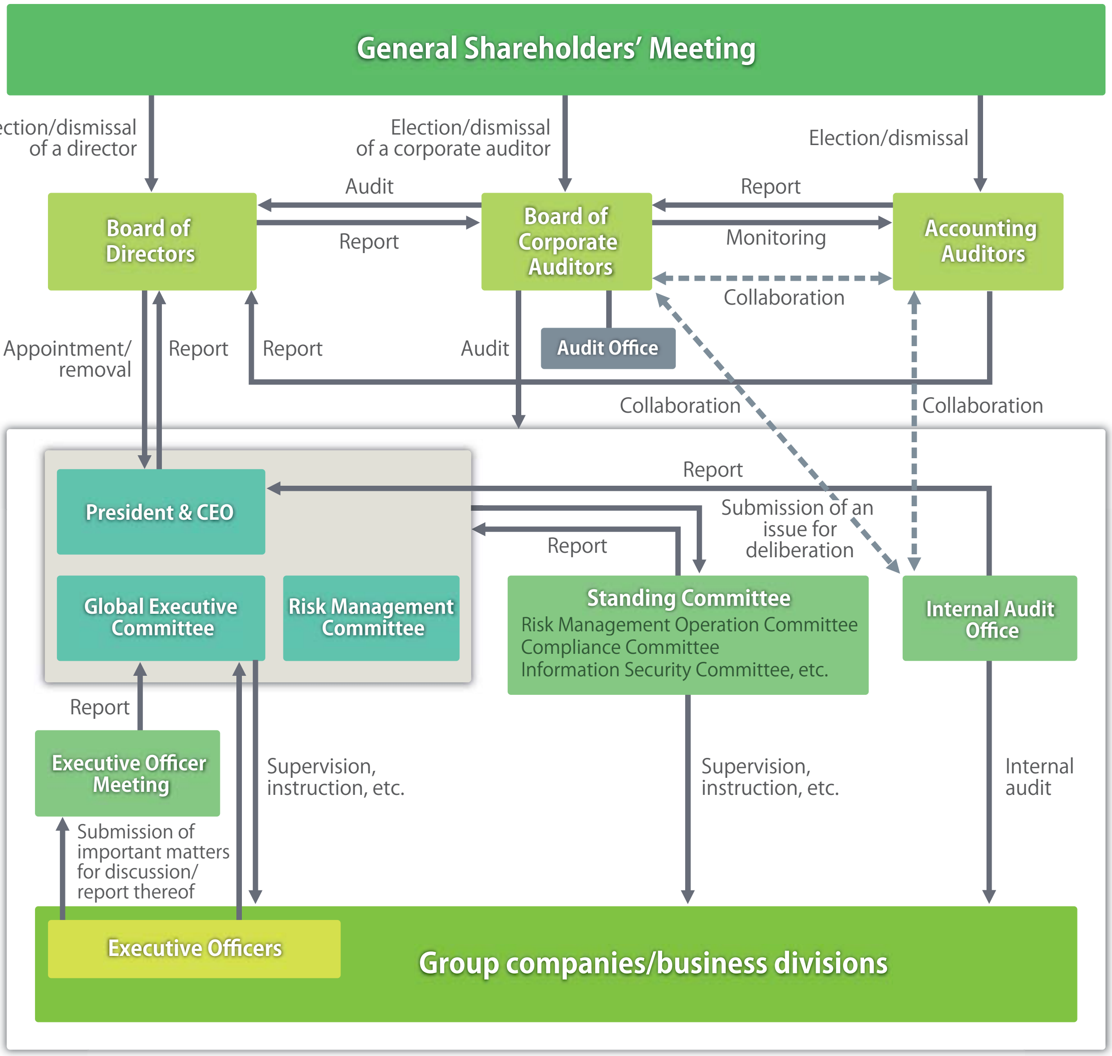
The Company established the Compliance Committee, in order to ensure compliance with the laws and regulations necessary for promoting appropriate corporate activities and disseminate compliance requirements to the Group employees and other concerned persons as widely as possible. The Committee formulates and promotes the Compliance Action Plan every year. Meanwhile, Fujitec has established the internal reporting system to curb fraud.

Systems to ensure proper operation

Fujitec has adapted the corporate officer system to ensure operational transparency and to separate business monitoring function and execution function. The systems to ensure proper operation of the Company and its subsidiaries comprise the important conferences of the Global Executive Committee, which meets on a quarterly basis regarding important issues involving the business promotion in Japan and abroad to achieve the management goals for the group.

The Executive Officer meeting is held on a monthly basis to deliberate important issues regarding the domestic business. The minutes of the proceedings of all important conferences are reported to outside directors on all such occasions.

Fujitec's Corporate Governance Structure and Network



Financial Section

Consolidated Financial Review

(Japanese yen amounts have been translated into U.S. dollars, for convenience only using the exchange rate of ¥94 to U.S.$1.)

Summary for the Year ended March 31, 2013

The global economy for the current consolidated fiscal year partially improved because China began to recover from the fall of 2012 due to the effects of policy measures implemented by China, where the trend was for a decelerating economy. Moreover, the economies of other Asian countries, excluding China, were back on course for recovery. North America continued a gradual recovery, but Europe showed weakness because of the prolonged debt problem. In Japan, the pace of the pickup was overall slowed because of the appreciation of the yen and slowing foreign economies. The yen weakened on the foreign exchange market and stock prices rose with heightened expectations for a recovery since the change of administration in December 2012.

In the elevator and escalator industry, while demand steadily increased in Asia, especially in China, and North America, demand in Europe remained at a standstill. In Japan, the trend for a recovery in demand was generally observed across the nation with an increase in the sales of condominiums, mainly in the Tokyo metropolitan area and the Kinki region.

In the domestic market for the consolidated fiscal year ended March 2013, we achieved a steady increase in the sales of “control panel replacement packages” in the modernization business that offers improvements in the comfort and safety of existing elevators. We also worked to expand new “safety enforcement packages,” which are being subsidized by the government, and renewal products for escalators that adopted the “Fit in Truss Construction Method” with a short construction period at low cost. In the new installation business, we achieved an increase in orders for the standard-type XIOR elevator for housing complexes and for escalators for commercial facilities. As a result, the orders received in Japan totaled ¥53,227 million, an increase of 13.9% compared to the previous fiscal year.

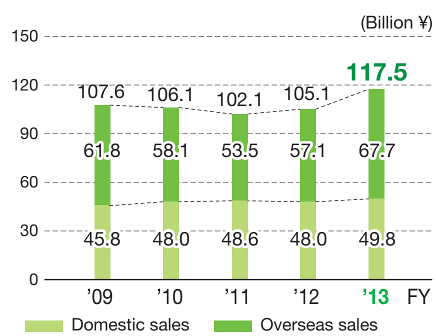
In the overseas markets, overseas orders received totaled ¥74,683 million, an increase of 21.6% compared to the previous fiscal year thanks to an increase in new installations in East Asia.
As a result, total orders received amounted to ¥127,910 million, an increase of 18.3% compared to the previous fiscal year.

Net Sales and Income

• **Status of Sales and Order Backlogs**

Consolidated sales for the fiscal year ended March 31, 2013, were ¥117,468 million, an increase of ¥12,407 million compared to the previous fiscal year, due to increased sales in East Asia, primarily China. As a result, the percentage of overseas sales to consolidated sales increased by 3.2 percentage points to 57.6%, from 54.4% in the previous fiscal year.

Domestic sales and overseas sales



Net Sales by Region

In Japan, net sales were ¥52,865 million, an increase of 4.0% compared to the previous fiscal year, due to an increase in new installations and modernization projects. Operating income was ¥3,447 million, an increase of ¥1,549 million compared to the previous fiscal year, owing to a continued increase in sales in modernization projects and cost reductions.

In North America, net sales were ¥11,431 million, an increase of 12.9% compared to the previous fiscal year, due to an increase in new installations and the service business. Operating income was ¥119 million due to improved profitability of new installations because of cost reductions (operating loss for the previous fiscal year: ¥388 million).

In Europe, net sales were ¥390 million, a decrease of 28.2% compared to the previous fiscal year, due to a decrease in the sales of escalators. For operating profit and loss, an operating loss of ¥12 million was recorded (operating loss for the previous fiscal year: ¥8 million).

In South Asia, net sales were ¥10,590, an increase of 8.1% compared to the previous fiscal year, due mainly to an increase in new installations of elevators for housing complexes. Operating income was ¥1,486 million, a decrease of ¥110 million compared to the previous fiscal year, which was affected by an increase in costs for new installation.

In East Asia, net sales were ¥48,693 million, an increase of 23.4% compared to the previous fiscal year, due to the significant increase in new installations in China. Operating income was ¥4,179 million, an increase of ¥1,916 million compared to the previous fiscal year, due to an increase in net sales and a reduction in material expenses.

Order Backlogs

In Japan, the order backlogs were ¥37,896 million, an increase of 10.2% compared to the level at the end of the previous fiscal year, due to expanded sales in the modernization business and the growth in new installations. Overseas, the order backlogs were ¥71,076 million, an increase of 11.7% compared to the level at the end of the previous fiscal year, due to an increase in the backlog in East Asia. As a result, the total amount of order backlogs was ¥108,972 million, an increase of 11.2% compared to the level at the end of the previous fiscal year.

- **Status of Cost of Sales and Selling, General and Administrative Expenses**

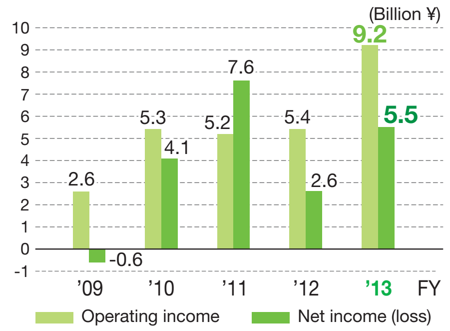
The cost of sales was ¥90,983 million, which represents an increase of ¥6,966 million compared to the previous fiscal year. The ratio of cost of sales decreased by 2.5 percentage points to 77.5% compared to the previous fiscal year, mainly due to reductions in the cost of raw materials in East Asia, as well as cost reductions in Japan and North America.

Selling, general and administrative expenses increased by ¥1,632 million compared to the previous fiscal year to ¥17,313 million, and the ratio of selling, general and administrative expenses to net sales (net sales selling administrative expense ratio) was 14.7%, a decrease of 0.2 percentage points.
As a result, operating income was ¥9,172 million, an increase of 71.0% compared to the previous fiscal year.

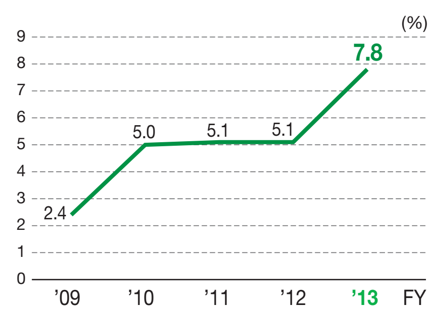
- **Status of Income**

Non-operating profit and loss increased by ¥458 million from a net profit of ¥435 million in the previous fiscal year to a net profit of ¥893 million, mainly due to an increase in interest income and in foreign currency exchange rate profits due to the depreciation of the

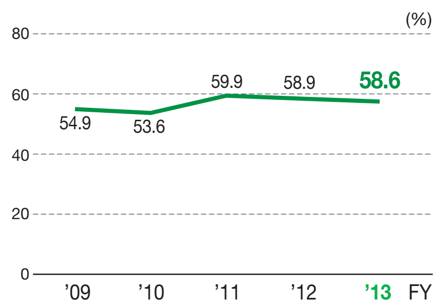
Operating income and net income



Operating income to net sales



Shareholders' equity ratio



Japanese yen.

Special items recorded a net loss of ¥235 million, which is an increase in loss of ¥392 million from the previous fiscal year during which net profit of ¥157 million was recorded, due to the decrease in the settlement received, the gain on sales of business, and subsidy income, in Japan. An impairment loss occurred in Japan during the current fiscal year.

Income before income taxes and minority interests was ¥9,830 million, an increase of 65.1% compared to the previous fiscal year.

As for income taxes, tax expenses increased by ¥465 million from the previous fiscal year, due mainly to an increase in income before income taxes and minority interests.

As a result, net income was ¥5,507 million, an increase of 111.3% compared to the previous fiscal year.

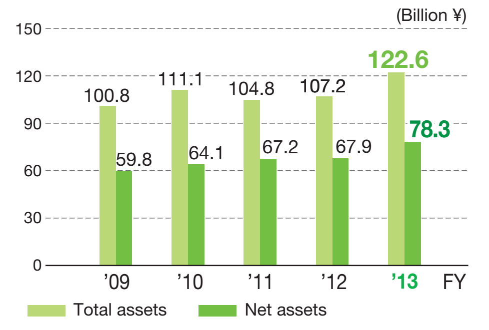
Accordingly, net income per share increased by ¥31.01 from ¥27.86 in the previous fiscal year to ¥58.87.

Financial Position

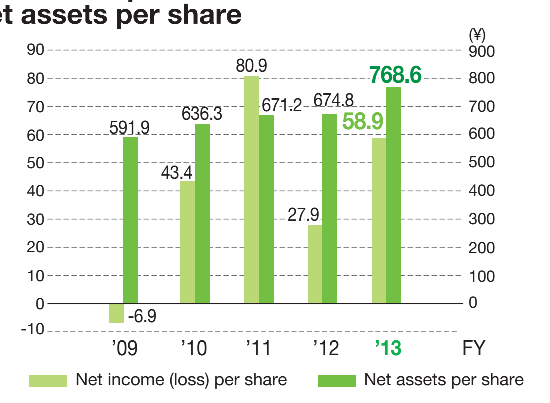
Total assets at the end of the fiscal year ended March 31, 2013, were ¥122,643 million, an increase of ¥15,430 million compared to the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of ¥6,296 million, an increase in trade notes and accounts receivable of ¥5,582 million, and an increase in work in process of ¥2,097 million.

Total liabilities were ¥44,371 million, an increase of

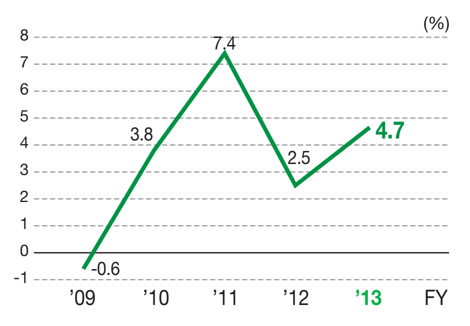
Total assets and net assets



Net income per share
Net assets per share



Net income to net sales



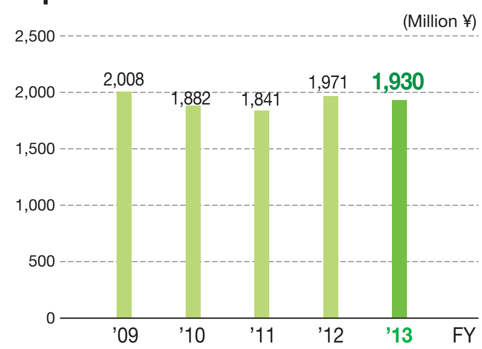
¥5,073 million compared to the end of the previous fiscal year. This was mainly due to an increase in trade notes and accounts payable of ¥1,836 million and an increase in advances from customers of ¥2,145 million, in addition to a decrease in short-term debt of ¥1,232 million.

Net assets were ¥78,272 million, an increase of ¥10,357 million compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings of ¥4,292 million, an increase in foreign currency translation adjustments by ¥3,925 million, and an increase in minority interests of ¥1,579 million. Shareholders' equity ratio at the end of the fiscal year ended March 31, 2013, was 58.6%, a decrease of 0.3 percentage points compared to the end of the previous fiscal year, and net assets per share were ¥768.64, an increase of ¥93.86 compared to the end of the previous fiscal year.

Capital Source and Liquidity of Funds

The Fujitec Group's operating and capital investment needs are generally met internally or through 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 March 31, 2013, the balance of outstanding short-term debt stood at ¥600 million. On the other hand, the Group's long-term funding requirements for production equipment are met, in principle, through the financing of long-term debt. As of March 31, 2013, the balance of outstanding long-term debt, including long-term debt due within one year, was ¥1,542 million, including debt in U.S. dollars and Japanese yen.

R&D expenses



The 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 the growth of the Group and provide the long-term finances 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

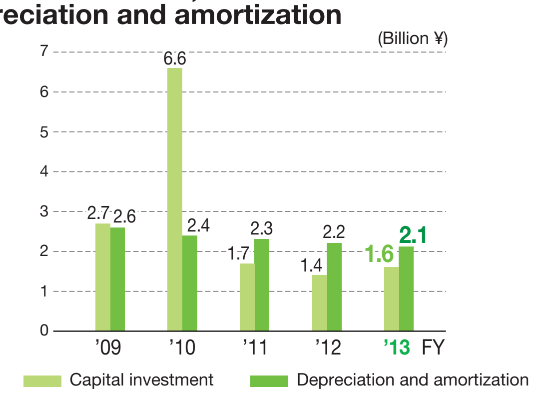
Net cash provided by operating activities was ¥7,913 million, a decrease in revenue of ¥1,772 million compared to the previous fiscal year, due to an increase in trade notes and accounts receivable, and inventories against increases in income before income taxes and minority interests by ¥9,830 million, depreciation and amortization by ¥2,083 million, and advances from customers.

Net cash used in investing activities was ¥232 million, a decrease in expenditures of ¥3,720 million compared to the previous fiscal year, due to expenditures of ¥1,544 million for acquisitions of property, plant, and equipment against a net of decrease in time deposits of ¥1,427 million.

Net cash used in financing activities was ¥3,048 million, a decrease in expenditures of ¥1,131 million compared to the previous fiscal year, due to a decrease in short time debt of ¥1,290 million and cash dividends paid.

As a result, cash and cash equivalents at end of the fiscal year ended March 31, 2013, was ¥15,519 million, which was an increase of ¥5,801 million compared to the end of the previous fiscal year.

Capital investment, depreciation and amortization



Basic Policy for Profit Distribution and Dividend

For profit distribution, management's priority is the enhancement of the return of profits to our shareholders, and the basic policy for distribution is set in consideration of the balance of internal reserves for the long-term stability of the corporate structure. Internal reserves will be effectively appropriated for the improvement of corporate value, such as capital investment in growth fields, investment and financing for global expansion and investment in research and development, and we will flexibly consider the acquisition of our own shares as a return to our shareholders.

A year-end dividend for the year ended March 31, 2013, was declared to be ¥10 per share by adding ¥4 per share as memorial dividend in commemoration of the 65th year since the foundation of the Company to ¥6 per share as the ordinary dividend. As a result, the annual dividend was ¥16 per share following the interim dividends of ¥6 per share.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2013**	2012	**2013**
Current assets:			
Cash and cash equivalents	**¥ 15,519**	¥ 9,718	**$ 165,096**
Time deposits	**15,927**	15,432	**169,436**
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	**338**	254	**3,596**
Other	**30,701**	25,203	**326,606**
Allowance for doubtful accounts	**(920)**	(557)	**(9,787)**
	30,119	24,900	**320,415**
Inventories (Note 4)	**13,887**	11,189	**147,734**
Deferred tax assets (Note 5)	**2,062**	1,586	**21,936**
Other current assets	**3,222**	2,606	**34,277**
Total current assets	**80,736**	65,431	**858,894**
Investments and long-term loans:			
Investments in unconsolidated subsidiaries and affiliates	**657**	657	**6,989**
Investment securities (Note 3)	**4,363**	3,624	**46,415**
Long-term loans	**1,914**	1,917	**20,362**
	6,934	6,198	**73,766**
Property, plant and equipment, at cost (Note 6) **:**			
Buildings and structures	**26,107**	25,324	**277,734**
Machinery and equipment	**15,002**	14,026	**159,596**
Leased assets (Note 8)	**26**	26	**276**
	41,135	39,376	**437,606**
Accumulated depreciation	**(20,026)**	(18,054)	**(213,043)**
	21,109	21,322	**224,563**
Land	**6,816**	6,807	**72,511**
Construction in progress	**834**	465	**8,873**
	28,759	28,594	**305,947**
Other assets:			
Deferred tax assets (Note 5)	**766**	2,213	**8,149**
Goodwill	**689**	695	**7,330**
Intangible assets	**2,448**	1,812	**26,043**
Other	**2,311**	2,270	**24,584**
Total	**¥ 122,643**	¥ 107,213	**$1,304,713**

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen 2013	2012	Thousands of U.S. Dollars (Note 1) 2013
Current liabilities:			
Short-term debt (Note 6)	¥ 600	¥ 1,832	$ 6,383
Current portion of long-term debt (Note 6)	1,475	12	15,691
Lease obligations (Note 8)	4	6	43
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	8	47	85
Other	13,395	11,520	142,500
Advances from customers	11,752	9,607	125,021
Accrued income taxes (Note 5)	1,345	669	14,309
Accrued bonuses to employees	2,333	1,710	24,819
Accrued bonuses to directors	66	46	702
Provision for losses on construction contracts	3,435	2,901	36,543
Other provisions	449	428	4,777
Other current liabilities	5,091	4,623	54,159
Total current liabilities	39,953	33,401	425,032
Long-term debt (Note 6)	67	1,500	713
Lease obligations (Note 8)	—	4	—
Deferred tax liabilities (Note 5)	97	54	1,032
Provision for retirement benefits (Note 10)	4,037	4,122	42,947
Retirement benefits for directors	192	192	2,043
Asset retirement obligation for non-current liabilities	20	19	213
Other non-current liabilities	5	6	52
Total liabilities	44,371	39,298	472,032
Contingent liabilities (Note 7)			
Net assets:			
Shareholders' equity (Note 9)			
Common stock, no par value;			
Authorized: 300,000,000 shares			
Issued: 93,767,317 shares at March 31, 2013 and 2012	12,534	12,534	133,340
Additional paid-in capital	14,566	14,566	154,957
Retained earnings	61,520	57,228	654,468
Treasury stock, at cost: 203,231 shares at March 31, 2013 and 198,039 shares at March 31, 2012	(135)	(131)	(1,435)
	88,485	84,197	941,330
Accumulated other comprehensive income			
Net unrealized gains on securities	1,021	456	10,862
Foreign currency translation adjustments	(17,589)	(21,514)	(187,117)
	(16,568)	(21,058)	(176,255)
Minority interests	6,355	4,776	67,606
Total net assets	78,272	67,915	832,681
Total	¥ 122,643	¥ 107,213	$1,304,713

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net sales	¥ 117,468	¥ 105,061	$1,249,660
Cost and expenses:			
Cost of sales	90,983	84,017	967,904
Selling, general and administrative expenses	17,313	15,681	184,181
	108,296	99,698	1,152,085
Operating income	9,172	5,363	97,575
Other income (expenses):			
Interest and dividend income	516	421	5,489
Interest expense	(56)	(83)	(596)
Foreign currency exchange gain, net	223	(13)	2,372
Other, net	210	110	2,235
	893	435	9,500
Special items:			
Gain on sales of property, plant and equipment	2	1	21
Gain on sales of investment securities	2	18	21
Gain on sales of business	—	138	—
Settlement received	—	150	—
Subsidy income	—	100	—
Loss on sales and disposal of property, plant and equipment	(62)	(75)	(660)
Impairment loss on fixed assets	(76)	(15)	(808)
Loss on sales of investment securities	—	(28)	—
Write-down of investment securities (Note 3)	(101)	(106)	(1,074)
Write-down of investments in capital of a subsidiary	—	(26)	—
	(235)	157	(2,500)
Income before income taxes and minority interests	9,830	5,955	104,575
Income taxes (Note 5) **:**			
Current	2,218	1,166	23,596
Deferred	755	1,342	8,032
	2,973	2,508	31,628
Income before minority interests	6,857	3,447	72,947
Minority interests in net income of consolidated subsidiaries	1,350	840	14,362
Net income	¥ 5,507	¥ 2,607	$ 58,585
Per share:	Yen		U.S. Dollars (Note 1)
Net income, based on the weighted average number of shares outstanding	¥ 58.87	¥ 27.86	$ 0.63
Cash dividends applicable to the year	16.00	12.00	0.17

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, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Income before minority interests	**¥ 6,857**	¥ 3,447	**$ 72,947**
Other comprehensive income:			
Net unrealized gains on securities	**566**	50	**6,021**
Foreign currency translation adjustments	**4,620**	(1,291)	**49,149**
Other comprehensive income, net	**5,186**	(1,241)	**55,170**
Comprehensive income	**¥ 12,043**	¥ 2,206	**$ 128,117**
Comprehensive income attributable to:			
Comprehensive Income attributable to owners of parent	**¥ 9,998**	¥ 1,452	**$ 106,362**
Comprehensive Income attributable to non-controlling interests	**2,045**	754	**21,755**

Consolidated Statements of Changes in Net Assets

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Thousands	Millions of Yen								
						Accumulated other comprehensive income				
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Foreign currency translation adjustments	Total	Minority interests	Total net assets
Balance at April 1, 2011	93,767	¥ 12,534	¥ 14,566	¥ 55,744	¥ (129)	¥ 405	¥ (20,309)	¥ (19,904)	¥ 4,350	¥ 67,161
Net income		–	–	**2,607**	–	–	–	–	–	**2,607**
Cash dividends		–	–	**(1,123)**	–	–	–	–	–	**(1,123)**
Treasury stock acquired, net		–	–	–	**(2)**	–	–	–	–	**(2)**
Net change in the year		–	–	–	–	**51**	**(1,205)**	**(1,154)**	**426**	**(728)**
Balance at April 1, 2012	93,767	12,534	14,566	57,228	(131)	456	(21,514)	(21,058)	4,776	67,915
Net income		–	–	**5,507**	–	–	–	–	–	**5,507**
Cash dividends		–	–	**(1,215)**	–	–	–	–	–	**(1,215)**
Treasury stock acquired, net		–	–	–	**(4)**	–	–	–	–	**(4)**
Net change in the year		–	–	–	–	**565**	**3,925**	**4,490**	**1,579**	**6,069**
Balance at March 31, 2013	**93,767**	**¥ 12,534**	**¥ 14,566**	**¥ 61,520**	**¥ (135)**	**¥ 1,021**	**¥ (17,589)**	**¥ (16,568)**	**¥ 6,355**	**¥ 78,272**

	Thousands	Thousands of U.S. Dollars (Note 1)								
						Accumulated other comprehensive income				
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Foreign currency translation adjustments	Total	Minority interests	Total net assets
Balance at April 1, 2012	93,767	$ 133,340	$ 154,957	$ 608,808	$ (1,393)	$ 4,851	$ (228,872)	$ (224,021)	$ 50,808	$ 722,499
Net income		–	–	**58,586**	–	–	–	–	–	**58,586**
Cash dividends		–	–	**(12,926)**	–	–	–	–	–	**(12,926)**
Treasury stock acquired, net		–	–	–	**(42)**	–	–	–	–	**(42)**
Net change in the year		–	–	–	–	**6,011**	**41,755**	**47,766**	**16,798**	**64,564**
Balance at March 31, 2013	**93,767**	**$ 133,340**	**$ 154,957**	**$ 654,468**	**$ (1,435)**	**$ 10,862**	**$ (187,117)**	**$ (176,255)**	**$ 67,606**	**$ 832,681**

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, 2013 and 2012

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 9,830	¥ 5,955	$ 104,575
Depreciation and amortization	2,083	2,204	22,160
Increase in allowance for doubtful accounts	262	85	2,787
Provision for bonuses to employees	545	36	5,798
Provision for losses on contracts	412	557	4,383
Interest and dividends income	(516)	(421)	(5,489)
Interest expense	56	83	596
(Increase) decrease in trade notes and accounts receivable	(3,355)	389	(35,691)
Increase in inventories	(1,618)	(1,692)	(17,213)
Increase in trade notes and accounts payable	829	1,103	8,819
(Gain) loss on sales of investment securities, net	(2)	10	(21)
Write-down of investment securities, net	101	106	1,074
Increase in advances from customers	1,015	3,085	10,798
Loss on sales of property, plant and equipment	28	3	298
Loss on disposal of property, plant and equipment	32	71	340
Gain on sales of business	—	(138)	—
Other, net	(190)	(699)	(2,023)
Sub-total	9,512	10,737	101,191
Payment of income taxes	(1,599)	(1,052)	(17,010)
Net cash provided by operating activities	7,913	9,685	84,181
Cash flows from investing activities:			
Increase (decrease) in time deposits, net	1,427	(3,110)	15,180
Acquisitions of property, plant and equipment	(1,544)	(1,338)	(16,426)
Proceeds from sales of property, plant and equipment	30	4	319
Purchase of intangible assets	(615)	(67)	(6,543)
Proceeds from sales of investment securities	203	163	2,160
Interest and dividends income received	521	377	5,543
Other, net	(254)	19	(2,701)
Net cash used in investing activities	(232)	(3,952)	(2,468)
Cash flows from financing activities:			
Decrease in short-term debt, net	(1,290)	(557)	(13,723)
Proceeds from long-term debt	—	216	—
Repayment of long-term debt	(12)	(2,312)	(128)
Repayment of lease obligation	(5)	(5)	(53)
Payment of interest	(56)	(69)	(596)
Cash dividends paid	(1,216)	(1,123)	(12,936)
Cash dividends paid to minority shareholders	(463)	(420)	(4,926)
Repayment to a minority shareholder	(3)	(1)	(32)
Proceeds from minority shareholders' investment	—	94	—
Other, net	(3)	(2)	(32)
Net cash used in financing activities	(3,048)	(4,179)	(32,426)
Effect of exchange rate changes on cash and cash equivalents	1,168	(60)	12,426
Net increase in cash and cash equivalents	5,801	1,494	61,713
Cash and cash equivalents at beginning of year	9,718	8,224	103,383
Cash and cash equivalents at end of year	¥ 15,519	¥ 9,718	$ 165,096

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, 2013 and 2012

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 ¥94=$1, the prevailing exchange rate as of March 29, 2013. 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, 2013 and 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 Corpn. 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 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 statement 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 stated at cost. Cost for finished goods and work in process is determined by the specific identification method, and cost for all other inventories is determined by the average method. In the case that a loss on inventories price declines is recognized due to the decrease in profitability, the balance sheet amounts of inventories are written off to net realizable value. For some foreign subsidiaries, inventories are stated at the lower of cost determined by FIFO method or market.

(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 61 years
Machinery and equipment : 2 to 26 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 account receivables. 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) Accrued bonuses to employees
Accrued bonuses to employees are calculated on an accrual basis for the financial year on the expected amount to be paid to the employees.

(3) Accrued bonuses to directors
Accrued bonuses to directors are 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 should be recognized by providing for losses on construction contracts.

(L) Severance payments and pension plan

The Company has two retirement benefit plans, an unfunded lump-sum severance payment plan and a defined benefit pension plan, which cover substantially all employees of the Company. Upon retirement or termination of employment, employees are generally entitled to a lump-sum payment or annuity, in addition to a certain lump-sum payment, and the amount of the benefit is determined by their current basic rate of pay, length of service and conditions under which the termination occurs. The accrued pension and severance payments for employees at the balance sheet date represents the estimated present value of the projected benefit obligation in excess of the fair value of the plan assets.
The U.S. subsidiary has a defined contribution pension plan covering substantially all its employees.
The Korean subsidiary accrues annually the liability for employees' severance benefits at 100% of the amounts that would be required if all its employees were to terminate their employment under voluntary conditions at the balance sheet dates.

(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 rate and interest rate, 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 counter parties 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 under 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 on 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 the 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.

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 2012 financial statements to conform to the presentation in 2013.

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

Adoption of "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.

(T) Accounting standards issued but not yet effective

As at the date of these consolidated financial statements, new accounting standards and interpretations that have been issued, but not yet effective are as follows.

“Accounting Standard for Retirement Benefits” (ASBJ Statement No.26 issued on May 17, 2012)
“Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25 issued on May 17, 2012)

(1) These accounting standards have been revised, in light of improving financial reporting and international accounting trends, mainly in terms of accounting methods for unrecognized actuarial differences and unrecognized prior service costs, calculation methods for retirement benefit obligation and service cost, and enhancement of disclosure items.

(2) The Company intends to adopt these accounting standards from the end of the year ending March 31, 2014, and the revised calculation methods for retirement benefit obligation and service cost from the beginning of the year ending March 31, 2015.

(3) The impact of adopting these accounting standards is currently being examined.

3. Investment Securities

Available-for-sales securities at March 31, 2013 and 2012 are summarized as follows:

	Millions of Yen							
	2013				2012			
	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	**¥ 2,607**	**¥ 1,577**	**¥ 30**	**¥ 4,154**	¥ 2,707	¥ 892	¥ 184	¥ 3,415
Other	**—**	**—**	**—**	**—**	1	0	—	1
	¥ 2,607	**¥ 1,577**	**¥ 30**	**¥ 4,154**	¥ 2,708	¥ 892	¥ 184	¥ 3,416

	Thousands of U.S. Dollars (Note 1)			
	2013			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	**$ 27,734**	**$ 16,777**	**$ 319**	**$ 44,192**
Other	**—**	**—**	**—**	**—**
	$ 27,734	**$ 16,777**	**$ 319**	**$ 44,192**

The carrying amounts of equity securities whose fair value is not readily determinable are ¥209 million (US$2,223 thousand) for the years ended March 31, 2013 and 2012.

For the years ended March 31, 2013 and 2012, losses of ¥101 million (US$1,074 thousand) and ¥106 million, respectively, are recognized as write-downs of investment securities to reflect the significant decline in market value judged to be other than temporary.

4. Inventories

Inventories at March 31, 2013 and 2012 are comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Finished goods and semi-finished goods	**¥ 3,204**	¥ 2,704	**$ 34,085**
Work in process	**4,738**	2,641	**50,404**
Raw materials and supplies	**5,945**	5,844	**63,245**
	¥ 13,887	¥ 11,189	**$ 147,734**

5. 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 38.01% for the years ended March 31, 2013 and 40.69% for the years ended March 31, 2012. Income taxes of the consolidated foreign subsidiaries are ranging from 12.5% to 34.0%.

(1) The major components of deferred tax assets and liabilities at March 31, 2013 and 2012 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Deferred tax assets:	**2013**	2012	**2013**
Accrued pension and severance payments	**¥ 1,347**	¥ 1,394	**$ 14,330**
Accrued bonuses	**571**	484	**6,074**
Provision for losses on contracts	**1,028**	871	**10,936**
Allowance for doubtful accounts	**138**	124	**1,468**
Tax loss carryforwards	**2,880**	3,693	**30,638**
Others	**1,386**	894	**14,746**
Total deferred tax assets	**7,350**	7,460	**78,192**
Less: valuation allowance	**(3,884)**	(3,301)	**(41,319)**
Total deferred tax assets	**3,466**	4,159	**36,873**
Deferred tax liabilities:			
Unrealized gains on securities	**(525)**	(251)	**(5,585)**
Dividends income received from subsidiaries	**(31)**	(31)	**(330)**
Others	**(179)**	(132)	**(1,905)**
Total deferred tax liabilities	**(735)**	(414)	**(7,820)**
Net deferred tax assets	**¥ 2,731**	¥ 3,745	**$ 29,053**

Net deferred tax assets and liabilities presented in the consolidated balance sheets at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Current assets-Deferred tax assets	**¥ 2,062**	¥ 1,586	**$ 21,936**
Other assets-Deferred tax assets	**766**	2,213	**8,149**
Current liabilities-Deferred tax liabilities	**—**	—	**—**
Non-current liabilities-Deferred tax liabilities	**(97)**	(54)	**(1,032)**
Net deferred tax assets	**¥ 2,731**	¥ 3,745	**$ 29,053**

(2) A reconciliation between the Company's statutory tax rate and the effective income tax rate at March 31, 2013 and 2012 is as follows:

	2013	2012
Statutory tax rate	**38.01 %**	40.69 %
Non-deductible expenses	**0.14**	0.26
Valuation allowance for deferred tax assets	**1.67**	2.29
Per capita inhabitant tax	**1.20**	1.99
Net loss of consolidated subsidiaries	**(0.29)**	3.43
Difference of change in tax rate	**—**	8.22
Effect of foreign tax rate differences	**(10.14)**	(14.72)
Others	**(0.35)**	(0.05)
Effective tax rate	**30.24 %**	42.11 %

6. Short-term Debt and Long-term Debt

Short-term debt represents notes payable mainly to banks with the weighted average interest rate of 4.87% per annum at March 31, 2013 and 1.91% per annum at March 31, 2012.

(1) Long-term debt at March 31, 2013 and 2012 consists of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Loans, mainly from banks and insurance companies due through 2019 at weighted average interest rates, no applicable rate in 2013 and 1.11% in 2012.	**¥ 1,542**	¥ 1,512	**$ 16,404**
	1,542	1,512	**16,404**
Less, portion due within one year	**1,475**	12	**15,691**
	¥ 67	¥ 1,500	**$ 713**

(2) The aggregate annual maturities of long-term debt outstanding as of March 31, 2013 are as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2014	¥ 1,475	$ 15,691
2015	13	138
2016	13	138
2017	13	138
2018	13	138
2019	15	161
	¥ 1,542	$ 16,404

(Note) At March 31, 2013, 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 asset	¥ 1,170	$ 12,447
Short-term debt	—	—

7. Contingent Liabilities

Contingent liabilities at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Trade notes receivable discounted	**¥ 189**	¥ 163	**$ 2,011**

8. Leases

(1) The amounts related to finance lease assets at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Machinery and equipment	**2013**	2012	**2013**
Acquisition costs	**¥ 26**	¥ 26	**$ 276**
Accumulated depreciation	**(22)**	(16)	**(233)**
Book value	**¥ 4**	¥ 10	**$ 43**
Future minimum lease payments:			
Due within one year	**¥ 4**	¥ 6	**$ 43**
Due after one year	**—**	4	**—**
Total	**¥ 4**	¥ 10	**$ 43**

The acquisition costs and future minimum lease payments under finance leases include imputed interest expense.

(2) The amounts related to non-cancellable operating lease assets at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Future minimum lease payments:	**2013**	2012	**2013**
Due within one year	**¥ 124**	¥ 101	**$ 1,319**
Due after one year	**213**	148	**2,266**
Total	**¥ 337**	¥ 249	**$ 3,585**

9. Shareholders' Equity

Under the Corporate Law of Japan (the "Companies Act"), 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 total of the aggregated amount of the legal reserve and additional paid-in capital equals 25% of the 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 . Retirement benefits

The following tables set forth the changes in benefit obligations, plan assets and funded status of the Company and certain consolidated subsidiaries at March 31, 2013 and 2012.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Projected retirement benefit obligation	**¥ (13,545)**	¥ (13,222)	**$ (144,096)**
Plan assets at fair value	**8,202**	7,103	**87,256**
Benefit obligation in excess of plan assets	**(5,343)**	(6,119)	**(56,840)**
Unrecognized actuarial differences	**1,288**	1,977	**13,702**
Unrecognized prior service costs	**18**	20	**191**
Provision for retirement benefits	**¥ (4,037)**	¥ (4,122)	**$ (42,947)**

Retirement benefit expenses of the Company and certain consolidated subsidiaries for the years ended March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	**2013**
Service cost	**¥ 690**	¥ 672	**$ 7,340**
Interest cost	**191**	234	**2,032**
Expected return on plan assets	**(142)**	(165)	**(1,511)**
Amortization of actuarial losses	**329**	246	**3,500**
Amortization of prior service costs	**2**	2	**22**
Net periodic benefit cost	**1,070**	989	**11,383**
Cost of defined contribution pension plans	**30**	30	**319**
Retirement benefit expenses	**¥ 1,100**	¥ 1,019	**$ 11,702**

The assumptions used in accounting for the defined benefit plan of the Company are summarized for as follows:

	2013	2012
Method of attributing benefit to periods of service	**straight-line basis**	straight-line basis
Discount rate	**1.5%**	1.5%
Expected long-term rate of return on plan assets	**2.0%**	2.0%
Amortization period for prior service costs	**10 years**	10 years
Amortization period for actuarial losses	**10 years**	10 years

11 . Research and Development Costs

Research and development costs for the years ended March 31, 2013 and 2012 are ¥1,930 million (US$20,532 thousand) and ¥1,971 million, respectively.

12 . 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, Canada), Europe (United Kingdom, Germany), South Asia (mainly Singapore), and East Asia (China, Hong Kong, Taiwan and Korea). Each regional business unit develops comprehensive strategies for dealing 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 corresponds to its operating income. Intersegment sales and transfer prices are calculated mainly based on market value or manufacturing cost.

(3) Information by reporting segment for the years ended March 31, 2013 and 2012 is summarized as follows:

	Millions of Yen							
	2013							
	Reporting Segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	¥ 49,897	¥ 11,414	¥ 384	¥ 10,588	¥ 45,185	¥ 117,468	¥ –	¥ 117,468
Intersegment sales	2,968	17	6	2	3,508	6,501	(6,501)	–
Total sales	52,865	11,431	390	10,590	48,693	123,969	(6,501)	117,468
Segment expenses	49,418	11,312	402	9,104	44,514	114,750	(6,454)	108,296
Segment profit (loss)	3,447	119	(12)	1,486	4,179	9,219	(47)	9,172
Segment assets	70,050	5,512	427	10,686	52,624	139,299	(16,656)	122,643
Other items:								
Depreciation and amortization	1,519	73	1	72	418	2,083	–	2,083
Amortization of goodwill	–	82	–	–	–	82	–	82
Increase in property, plant and equipment and intangible assets	1,131	15	5	107	971	2,229	–	2,229

	Millions of Yen							
	2012							
	Reporting Segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	¥ 48,054	¥ 10,102	¥ 538	¥ 9,793	¥ 36,574	¥ 105,061	¥ –	¥ 105,061
Intersegment sales	2,763	21	5	2	2,871	5,662	(5,662)	–
Total sales	50,817	10,123	543	9,795	39,445	110,723	(5,662)	105,061
Segment expenses	48,919	10,511	551	8,199	37,182	105,362	(5,664)	99,698
Segment profit (loss)	1,898	(388)	(8)	1,596	2,263	5,361	2	5,363
Segment assets	65,955	5,256	315	8,809	41,486	121,821	(14,608)	107,213
Other items:								
Depreciation and amortization	1,666	79	1	74	384	2,204	–	2,204
Amortization of goodwill	–	83	–	–	–	83	–	83
Increase in property, plant and equipment and intangible assets	822	13	1	152	432	1,420	–	1,420

	Thousands of U.S. Dollars (Note 1)							
	2013							
	Reporting Segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	$ 530,820	$ 121,426	$ 4,085	$ 112,638	$ 480,691	$1,249,660	$ –	$1,249,660
Intersegment sales	31,573	181	64	22	37,320	69,160	(69,160)	–
Total sales	562,393	121,607	4,149	112,660	518,011	1,318,820	(69,160)	1,249,660
Segment expenses	525,723	120,341	4,276	96,851	473,554	1,220,745	(68,660)	1,152,085
Segment profit (loss)	36,670	1,266	(127)	15,809	44,457	98,075	(500)	97,575
Segment assets	745,212	58,638	4,543	113,681	559,830	1,481,904	(177,191)	1,304,713
Other items:								
Depreciation and amortization	16,160	777	11	766	4,446	22,160	–	22,160
Amortization of goodwill	–	872	–	–	–	872	–	872
Increase in property, plant and equipment and intangible assets	12,032	160	53	1,137	10,330	23,712	–	23,712

(4) Information related to reporting segment

(A) Sales by geographic area are as follows:

	Millions of Yen					
	2013					
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	¥ 49,805	¥ 12,266	¥ 10,737	¥ 43,124	¥ 1,536	¥ 117,468

	Millions of Yen					
	2012					
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	¥ 47,948	¥ 10,411	¥ 9,857	¥ 35,311	¥ 1,534	¥ 105,061

	Thousands of U.S. Dollars (Note 1)					
	2013					
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	$ 529,840	$ 130,489	$ 114,223	$ 458,767	$ 16,341	$ 1,249,660

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

	Millions of Yen					
	2013					
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment	¥ 22,571	¥ 433	¥ 921	¥ 4,829	¥ 5	¥ 28,759

	Millions of Yen					
	2012					
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment	¥ 23,180	¥ 447	¥ 782	¥ 4,184	¥ 1	¥ 28,594

	Thousands of U.S. Dollars (Note 1)					
	2013					
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment	**$ 240,117**	**$ 4,606**	**$ 9,798**	**$ 51,373**	**$ 53**	**$ 305,947**

(5) Impairment loss by reporting segment are as follows:

	Millions of Yen							
	2013							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Impairment loss on fixed assets	**¥ 76**	**–**	**–**	**–**	**–**	**¥ 76**	**–**	**¥ 76**

	Millions of Yen							
	2012							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Impairment loss on fixed assets	¥ 15	–	–	–	–	¥ 15	–	¥ 15

	Thousands of U.S. Dollars (Note 1)							
	2013							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Impairment loss on fixed assets	**$ 808**	**–**	**–**	**–**	**–**	**$ 808**	**–**	**$ 808**

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

	Millions of Yen							
	2013							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Amortization of goodwill	**–**	**¥ 82**	**–**	**–**	**–**	**¥ 82**	**–**	**¥ 82**
Goodwill	**–**	**689**	**–**	**–**	**–**	**689**	**–**	**689**

	Millions of Yen							
	2012							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Amortization of goodwill	–	¥ 83	–	–	–	¥ 83	–	¥ 83
Goodwill	–	695	–	–	–	695	–	695

	Thousands of U.S. Dollars (Note 1)							
	2013							
	Reporting segment							
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Amortization of goodwill	**–**	**$ 872**	**–**	**–**	**–**	**$ 872**	**–**	**$ 872**
Goodwill	**–**	**7,330**	**–**	**–**	**–**	**7,330**	**–**	**7,330**

13 . 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 due within one year. Some part arising from the import of supplies is denominated in foreign currencies and 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 to capital investments.

Derivatives are foreign currency forward contracts to manage the market risk of fluctuations in foreign currency exchange rates and interest rates. Those derivative transactions are limited to the 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 14 for the detail of fair value for derivatives.

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

	Millions of Yen					
	2013			2012		
Assets:	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Cash and deposits	¥ 31,446	¥ 31,446	¥ —	¥ 25,150	¥ 25,150	¥ —
Trade notes and accounts receivable	31,039	30,280	(759)	25,457	24,743	(714)
Investment securities	4,154	4,154	—	3,416	3,416	—
Long-term loans	1,914	1,914	(0)	1,917	1,917	(0)
Total	¥ 68,553	¥ 67,794	¥ (759)	¥ 55,940	¥ 55,226	¥ (714)
Liabilities:						
Trade notes and accounts payable	¥ 13,403	¥ 13,403	¥ —	¥ 11,567	¥ 11,561	¥ (6)
Short-term debt	600	600	—	1,832	1,832	—
Long-term debt	1,542	1,540	(2)	1,512	1,510	(2)
Total	¥ 15,545	¥ 15,543	¥ (2)	¥ 14,911	¥ 14,903	¥ (8)
Derivatives*:						
Derivatives	¥ —	¥ —	¥ —	¥ (19)	¥ (19)	¥ —

	Thousands of U.S. Dollars (Note 1)		
	2013		
Assets:	Carrying amount	Fair value	Difference
Cash and deposits	$ 334,532	$ 334,532	$ —
Trade notes and accounts receivable	330,202	322,128	(8,074)
Investment securities	44,192	44,192	—
Long-term loans	20,362	20,362	(0)
Total	$ 729,288	$ 721,214	$ (8,074)
Liabilities:			
Trade notes and accounts payable	$ 142,585	$ 142,585	$ —
Short-term debt	6,383	6,383	—
Long-term debt	16,404	16,383	(21)
Total	$ 165,372	$ 165,351	$ (21)
Derivatives*:			
Derivatives	$ —	$ —	$ —

* The assets and liabilities arising from derivatives are shown at the net value, and with the amount in parentheses representing net liability. Long-term debt includes current portion of long-term debt.

(Note) The methods are described below 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 of investment securities by classification is shown in Note 3.

4) Long-term loans:
The fair value is determined by discounting their 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, 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.

Derivatives

The information of the fair value for derivatives is included in Note 14.

(2) Financial instruments whose fair value cannot be reliably determined at March 31, 2013 and 2012 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Investment securities:			
Unlisted stocks	¥ 114	¥ 114	$ 1,213
Other	95	95	1,010

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

(3) Maturity analysis for Cash and deposits and Trade notes and accounts receivable and Long-term loans at March 31, 2013 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	¥ 31,446	¥ –	¥ –
Trade notes and accounts receivable	28,687	2,231	121
Long-term loans	3	1,911	–
Total	¥ 60,136	¥ 4,142	¥ 121

	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	$ 334,532	$ –	$ –
Trade note and accounts receivable	305,181	23,734	1,287
Long-term loans	32	20,330	–
Total	$ 639,745	$ 44,064	$ 1,287

(Note) Annual maturities of long-term debt and lease obligations are included in Notes 6 and 8, respectively.

14. Derivative Financial Instruments

Derivatives, which qualify for deferral hedge accounting under which unrealized gain or loss is deferred as net assets with net of taxes are excluded from market value information disclosure.
The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

(1) Derivative transactions, to which hedge accounting is not applied, at March 31, 2013 and 2012 are as follows:

	Millions of Yen					
Foreign currency	2013			2012		
forward contracts:	Contract amount	Fair value	Realized gain (loss)	Contract amount	Fair value	Realized gain (loss)
Buying	¥ –	¥ –	¥ –	¥ 644	¥ (19)	¥ (19)

	Thousands of U.S. Dollars (Note 1)		
Foreign currency	2013		
forward contracts:	Contract amount	Fair value	Realized gain (loss)
Buying	$ –	$ –	$ –

(2) Derivative transactions, to which hedge accounting is applied, at March 31, 2013 and 2012 are as follows:

	Millions of Yen					
Interest swap rate:	2013			2012		
Variable interest received,	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
Fixed interest paid	¥ 261	¥ –	¥ –	¥ 228	¥ (1)	¥ (1)

	Thousands of U.S. Dollars (Note 1)		
Interest swap rate:	2013		
Variable interest received,	Contract amount	Fair value	Unrealized gain (loss)
Fixed interest paid	$ 2,777	$ –	$ –

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

15. Subsequent Event

The following appropriation of retained earnings at March 31, 2013 was approved at the annual meeting of shareholders held on June 25, 2013:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash dividends	¥ 935	$ 9,947

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of Fujitec Co., Ltd. and its subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013 and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, 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, the auditor considers 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, but 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 that 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 consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The United States dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 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.

Osaka, Japan
June 26, 2013

Grant Thornton Taiyo ASG LLC

Grant Thornton Taiyo ASG LLC

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 Corpn. 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 June 25, 2013)

Shareholders' Information

Fujitec Co., Ltd.
Big Wing, 591-1, Miyatacho, Hikone,
Shiga, Japan
Telephone: +81-749-30-7111

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: 3,253

Major Shareholders

	Number of shares held (Thousands)	Share holding ratio (%)
Citigroup Global Markets Inc. - Securities Safekeeping Account 418	14,212	15.18%
Uchiyama International, Limited	10,025	10.71%
Fuji Electric Co., Ltd.	5,089	5.43%
MLPFS Custody Account	4,548	4.86%
Resona Bank, Ltd.	4,203	4.49%
The Master Trust Bank of Japan, Ltd. (trust account)	3,880	4.14%
Japan Trustee Services Bank, Ltd. (trust account 4)	3,139	3.35%
Japan Trustee Services Bank, Ltd. (trust account)	2,456	2.62%
Mellon Bank Treaty Clients Omnibus	2,068	2.21%
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 Exchange (Code 6406)

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, Japan

Auditors
Grant Thornton Taiyo ASG LLC

(As of March 31, 2013)

FUJITEC CO.,LTD.

www.fujitec.com