



FUJITEC CO., LTD. (TSE 1・OSE 1 : code 6406)  
Corporate presentation

<http://www.fujitec.co.jp>



June 6, 2007

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FUJITEC Co., Ltd.

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# 1. Corporate profile



# Corporate profile (As of March 31, 2007)

FUJITEC Co., Ltd.

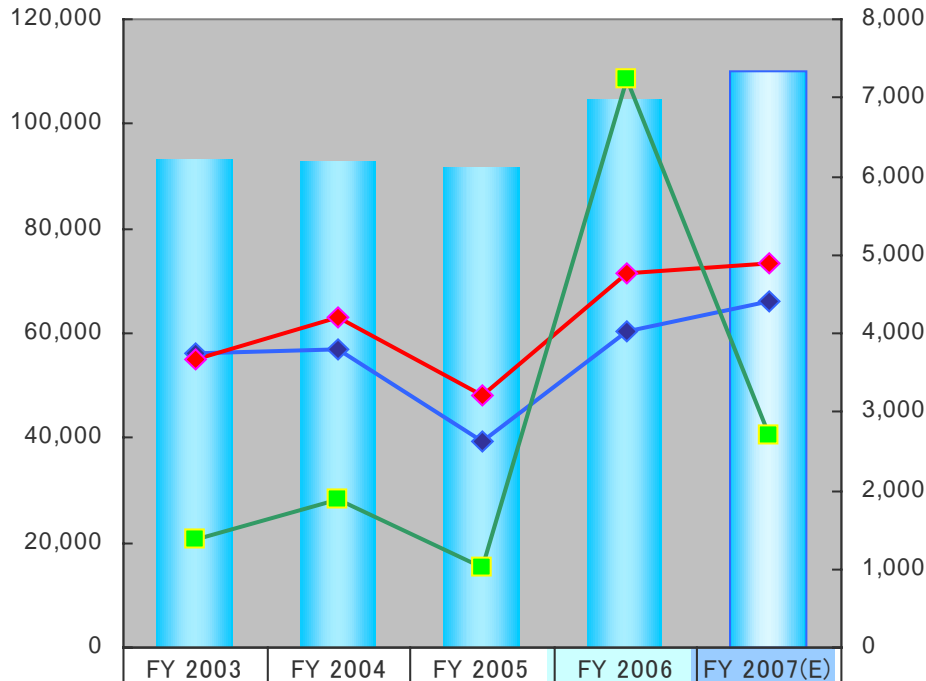
- Name: **FUJITEC CO., LTD.**
- Established: Feb.1948 (Listed on May 1963)
- Head office: 591-1, Miyata-cho, Hikone-shi, Shiga (Big Wing)
- Line of business: R&D, manufacturing, selling, installation and maintenance of elevators, escalators, moving walks, vertical parking equipment, new transportation systems etc
- Paid-in capital: **12,533 million yen (Shares issued 93,767,317)**
- Directors: President & CEO **Takakazu Uchiyama** Chairman of the Board  
Four other directors One outside director One corporate auditor  
(another two outside corporate auditors)
- Employees: Consolidated 7,139 (Non-consolidated 2,532)
- Group companies: 28 affiliate companies (including **16** consolidated subsidiaries)  
(North and South America, East Asia, South Asia, China, Europe•Middle and Near East)
- Audit firm: Yuko
- Banks: Resona, Mizuho Corporate, Tokyo-Mitsubishi UFJ
- Major shareholders: Uchiyama International 10.6%, Mellon Bank 8.7%,  
(Number of shareholders **3,805**) The Master Trust Bank of Japan 6.1%, Fuji Electric 5.4%, CGML 4.9%

# Results (Consolidated)

FUJITEC Co., Ltd.

## Sales / Income

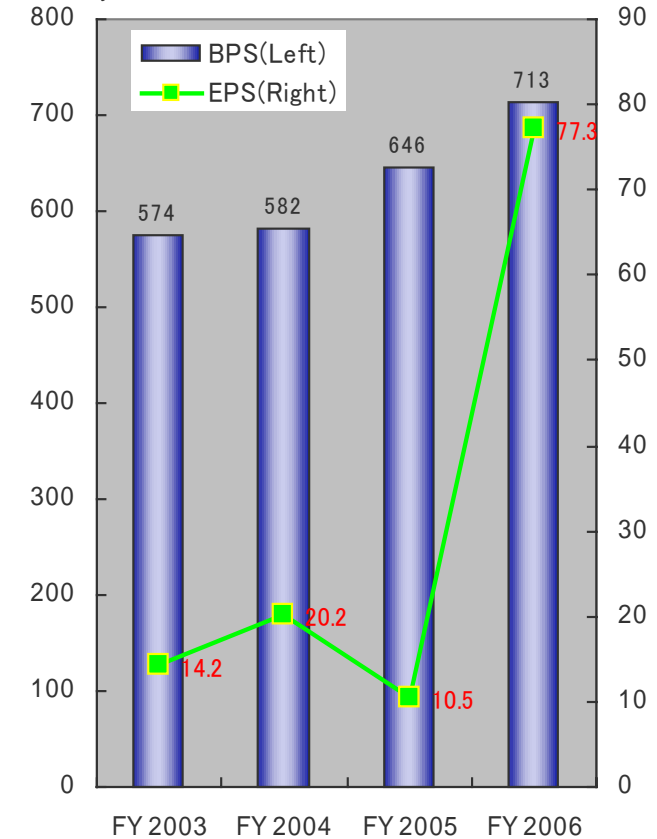
(million yen)



Extraordinary gain such as sales of fixed assets

## EPS(Earnings Per Share) BPS(Book-value Per Share)

(million yen)



# FY 2006 Topics

FUJITEC Co., Ltd.

- The last year of three-year medium-term business plan called “Change & Charge” that began in FY 2004
- Realization of agile management, quality improvement and swift response to customers’ need by the integration of HQ, R&D and manufacturing functions into Big Wing
  - Increase of elevators manufacturing capabilities at the first and second plants
  - Completion of 170-meter tall elevator research tower, the world’s highest and largest of its kind, and full-scale R&D facilities
  - Good sales of new standard elevators for Japanese market「Eceed- $\alpha$ 」
- Achievement of consolidated sales 100 billion yen
- Concentration of management resources on China, the world’s largest elevator market
  - Increase of elevators manufacturing capabilities at Huasheng Fujitec to meet strong demands
  - Doubling of production of escalators with the completion of the new factory at Shanghai Huasheng Fujitec
  - R&D system at Shanghai RD Center
  - Promotion of global procurement at Shanghai Sourcing Center
- Change of business policy in Europe and the United States



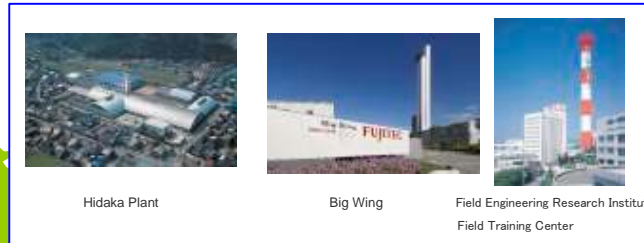
World's tallest elevator research tower  
(Hikone-shi, Shiga)

# Overseas operations

FUJITEC Co., Ltd.

- ◎ FUJITEC UK LTD.
- ◎ FUJITEC DEUTSCHLAND GmbH
- ◎ FUJITEC EGYPT CO., LTD.
- FUJITEC SAUDI ARABIA CO., LTD.

- ◎ Consolidated subsidiary
- Non-consolidated subsidiary
- Affiliate company



Hidaka Plant

Big Wing

Field Engineering Research Institute  
Field Training Center



Ohio Plant in USA

Europe - Middle and Near East

East Asia  
Japan

North and South America

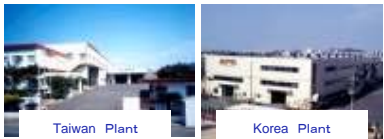
- ◎ FUJITEC (HK) CO., LTD. (production base)
- ◎ 1 sales subsidiary (HONG KONG)
- ◎ FUJITEC TAIWAN CO., LTD. (production base)
- ◎ FUJITEC KOREA CO., LTD. (production base)
- ◎ China: HUASHENG FUJITEC ELEVATOR CO., LTD. (production base)
- ◎ China: SHANGHAI HUASHENG FUJITEC ESCALATOR CO., LTD. (production base)
- China: FUJITEC SHANGHAI TECHNOLOGIES CO., LTD. (R&D base)
- China: FUJITEC SHANGHAI SOURCING CENTER CO., LTD. (procurement base)

- ◎ FUJITEC AMERICA, INC.
- ◎ FUJITEC CANADA, INC.
- FUJITEC VENEZUELA C.A.
- FUJITEC ARGENTINA S.A.
- FUJITEC PACIFIC, INC.

South Asia

- ◎ FUJITEC SINGAPORE CORPN. LTD. (production base)
- ◎ P.T. FUJITEC INDONESIA (production base)
- ◎ 4 sales subsidiaries (SINGAPORE, MALAYSIA, INDIA, VIETNAM)
- FUJITEC, INC. (PHILIPPINES)

Eastern Asia



Taiwan Plant

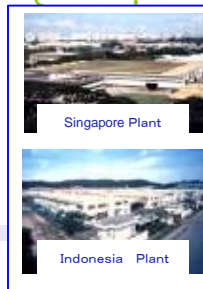
Korea Plant

China



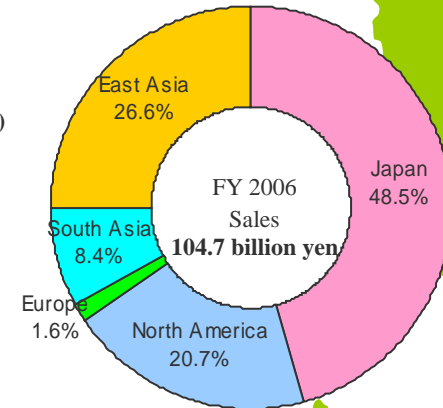
Langfang Plant in China

Shanghai Huasheng Fujitec Escalator  
Shanghai R&D Center  
Shanghai Sourcing Center



Singapore Plant

Indonesia Plant



FY 2006  
Sales  
104.7 billion yen

\*Intra-company transaction -5.8%



## 2. Results for FY 2006

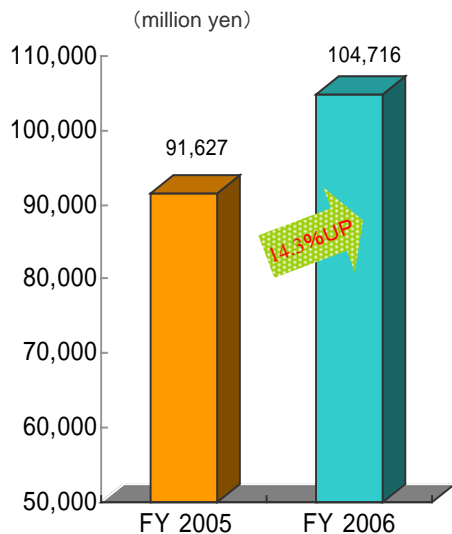




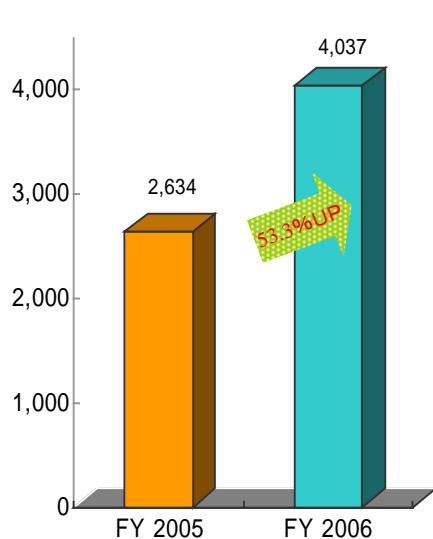
# FY 2006: Summary of results(Consolidated)

FUJITEC Co., Ltd.

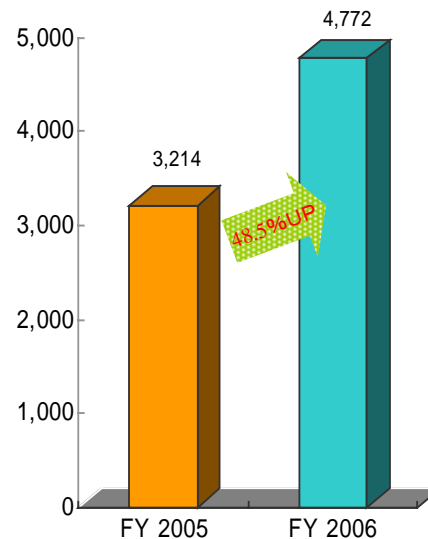
## Sales



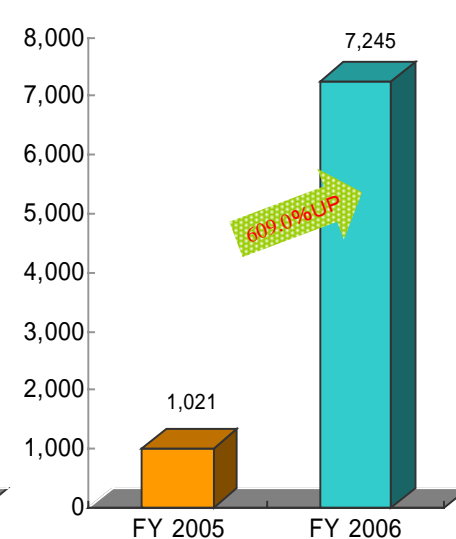
## Operating Income



## Ordinary Income



## Net Income



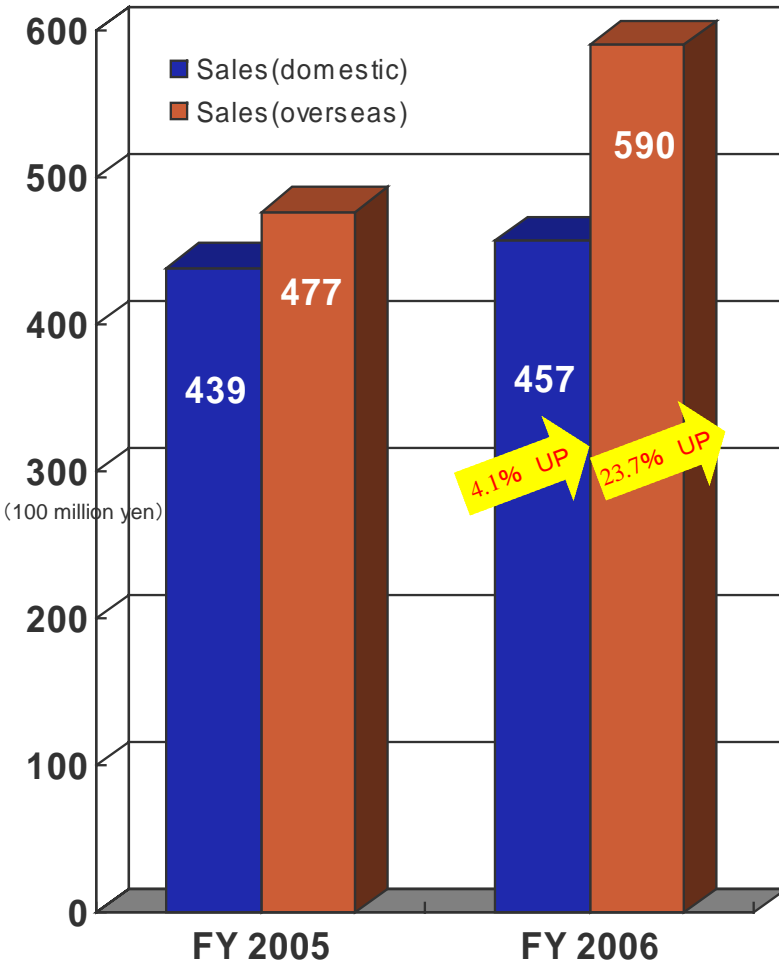
(Rounded down to million yen)	FY 2005	Forecast (revised on Oct. 27, 2006)	FY 2006	YoY(±%)	Comments
<b>Sales</b>	91,627	102,000	104,716	14.3%	Breakdown of YoY: Domestic 4.1%, Overseas 23.7%
<b>Gross profit</b>	17,607		19,543	11.0%	Gross margin 18.7%, Δ0.5 points YoY
<b>SG &amp; A expenses</b>	14,972		15,506	3.6%	SG&A expenses ratio 14.8%, Δ1.5 points YoY
<b>Operating income</b>	2,634		4,037	53.3%	Operating margin 3.9%, +1.0 points YoY
<b>Ordinary income</b>	3,214	4,600	4,772	48.5%	Ordinary margin is +1.1 points YoY
<b>Net income</b>	1,021	2,000	7,245	609.0%	Gain on fixed assets sale 7.9 billion yen, extraordinary loss 1.2 billion yen
<b>EPS (yen)</b>	10.58		77.32	630.8%	

\* Average dollar-yen exchange rate FY 2005 113 yen, FY 2006 117 yen

# FY 2006 : Domestic and overseas sales

FUJITEC Co., Ltd.

(100 million yen)

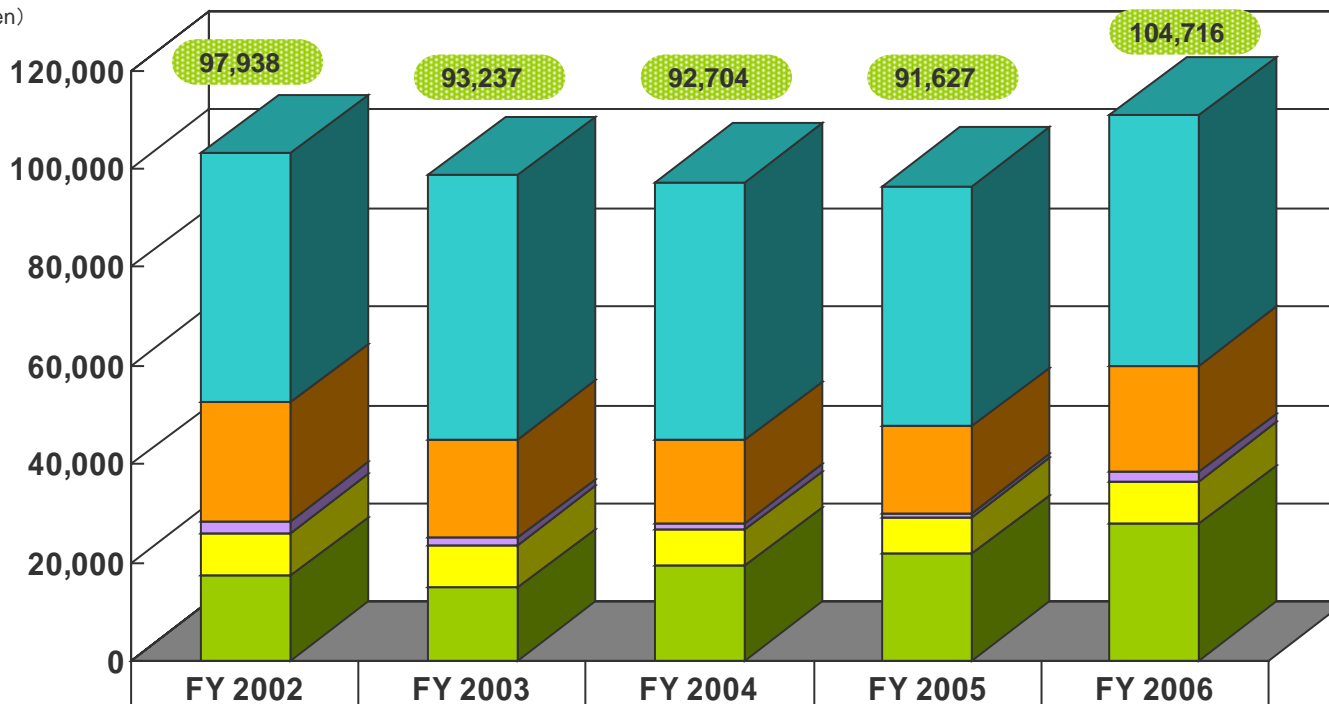


- Sales: Consolidated sales exceeded 100 billion yen (YoY+14.3%)
  - **Domestic**: Reduction of public investment, Expansion of private sector demand (condos, shopping malls etc.)  
Sales expansion of standard elevators without machine rooms  
「Eceed- $\alpha$ 」
  - **Overseas**: Demand expansion in Asian region, especially China (Positive foreign exchange rate effect by weak yen)
- Order backlog: 96.6 billion yen (YoY +8.5%)

# FY 2006 : Sales by region

FUJITEC Co., Ltd.

(million yen)



■ Japan	50,511	53,725	52,324	48,689	50,797
■ North America	24,068	20,029	16,836	17,588	21,689
■ Europe	2,586	1,458	1,338	935	1,702
■ South Asia	8,701	8,638	7,431	7,480	8,754
■ East Asia	17,202	14,867	19,231	21,673	27,837

# FY 2006: Sales and operating income by region

FUJITEC Co., Ltd.

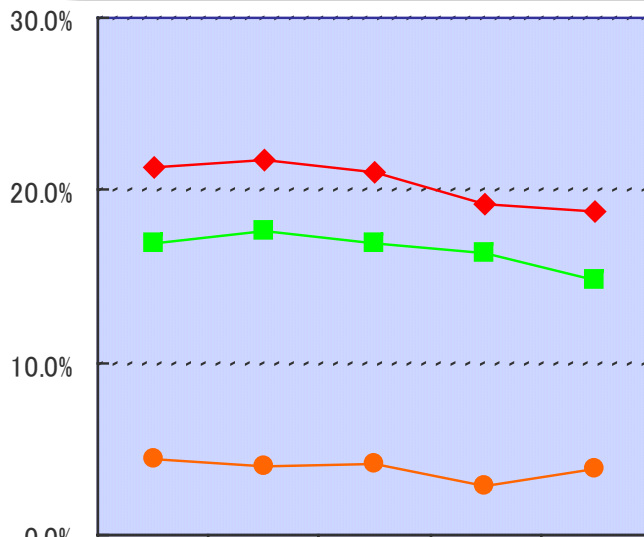
(million yen)

	Sales			Operating income		
	FY 2006	FY 2005	YoY(%)	FY 2006 (margin %)	FY 2005 (margin %)	YoY
Japan	50,797	48,689	4.3	1,058 (2.1%)	506 (1.0%)	552
North America	21,689	17,588	23.3	△55 (△0.3%)	△502 (△2.9%)	446
Europe	1,702	935	82.1	△20 (△1.2%)	△158 (△16.9%)	137
South Asia	8,754	7,480	17.0	872 (10.0%)	1,064 (14.2%)	△192
East Asia	27,837	21,673	28.4	2,270 (8.2%)	1,787 (8.2%)	482
Subtotal	110,781	96,367	-	4,124	2,697	1,427
Intra-company transaction	△6,065	△4,740	-	△87	△62	△24
Consolidated	104,716	91,627	14.3	4,037	2,634	1,402
			Operating margin	<b>3.9%</b>	<b>2.9%</b>	

# Financial ratios

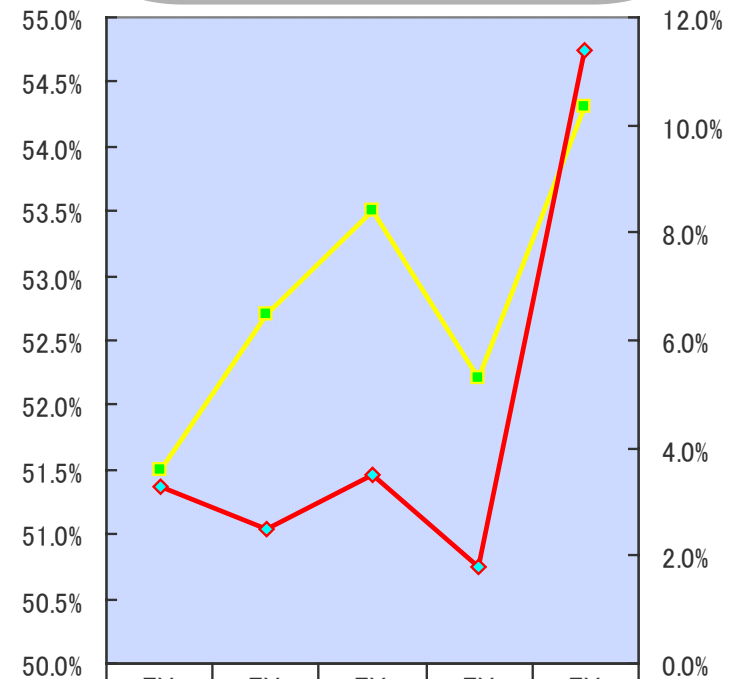
FUJITEC Co., Ltd.

Gross margin, SG&A expenses ratio, Operating margin



	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
◆ Gross margin	21.3%	21.7%	21.0%	19.2%	18.7%
■ SG&A expenses ratio	16.9%	17.7%	16.9%	16.3%	14.8%
● Operating margin	4.4%	4.0%	4.1%	2.9%	3.9%

Equity ratio, ROE



	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
■ Equity ratio	51.5%	52.7%	53.5%	52.2%	54.3%
◆ ROE	3.3%	2.5%	3.5%	1.8%	11.4%

# FY 2006 : Consolidated B/S, CF

FUJITEC Co., Ltd.

(million yen)

	FY 2005	FY 2006	Change %	Comments
<b>Current assets</b>	67,698	75,832	12.0%	
Cash & deposits	20,152	23,317	15.7%	
Notes and accounts receivable	27,115	29,984	10.6%	Sales increase
Inventories	17,632	16,964	-3.8%	
Others	2,797	5,566	99.0%	Proceeds of land sales
<b>Fixed assets</b>	48,271	47,056	-2.5%	
Tangible fixed assets	27,249	29,108	6.8%	Big Wing and new factory in China
Intangible fixed assets	4,038	4,166	3.2%	
Investment & others	16,983	13,782	-18.9%	Appraisal loss on securities and collection of loans
<b>Total assets</b>	115,970	122,889	6.0%	
<b>Current liabilities</b>	43,205	42,521	-1.6%	
Notes and accounts payable	10,324	12,537	21.4%	
Short-term borrowings	11,374	13,140	15.5%	
Current portion of long-term loans	2,100	-	-	Shift to Short-term borrowings
Accrued income taxes	641	806	25.7%	
Advance received	6,959	6,160	-11.5%	
Others	11,805	9,877	-16.3%	
<b>Fixed liabilities</b>	7,615	8,580	12.7%	Deferred tax liabilities increase
<b>Net assets</b>	60,553	71,786	18.5%	Net income and shift from minority interests
<b>Equity ratio %</b>	52.2%	54.3%	-	
Liabilities and net assets	115,970	122,889	6.0%	
<b>BPS(yen)</b>	646.4	713.2		

	FY 2005	FY 2006
Operating cash flow	1,297	4,113
Investing cash flow	-27	-3,025
Free cash flow	1,269	1,087
Financing cash flow	219	-2,213
Cash & cash equivalents at end	19,669	18,836

**Investing cash flow decreased due to the increase of time deposits**

**【Operating cash flow】**

Posting of net income before taxes

**【Investing cash flow】**

Sales of fixed assets 5.3 billion yen, collection of loans 1.7 billion yen, time deposits  $\Delta$ 3.9 billion yen

**【Financing cash flow】**

Payment of interests, dividends etc. 2.2 billion yen

## 3. Forecast for FY 2007



# Forecast for FY 2007 (Consolidated)

FUJITEC Co., Ltd.

(million yen)

Interim	FY 2006 Actual	FY 2007 Forecast	YoY
Sales	46,904	49,000	4.5%
Operating income	1,887	1,700	△9.9%
Ordinary income	2,397	2,000	△16.6%
Net income	633	1,400	121.0%

Full year	FY 2006 Actual	FY 2007 Forecast	YoY
Sales	104,716	110,000	5.0%
Operating income	4,037	4,400	9.0%
Ordinary income	4,772	4,900	2.7%
Net income	7,245	2,700	△62.7%
EPS	77.32 yen	28.78 yen	

## ■ Launch of new medium-term business plan

### “Regeneration for Quality”

- Strengthening the trust of customers by prioritizing safety and quality
- Supply products that are number-one on a global scale
- Reform the corporate structure to build a sound base for sustained growth

## ■ Capital investment

FY 2006 **4.7 billion yen** (Japan 3.4 billion yen, South and East Asia 1.2 billion yen, North America 0.1 billion yen)

**FY 2007 Plan 3.3 billion yen** (Japan 2.7 billion yen, Southern and Eastern Asia 0.6 billion yen)

## ■ Dividend

FY 2006 **12 yen** (Interim 5 yen, year end 7 yen  
= Ordinary 5 yen+ extra 2 yen)

**FY 2007 Plan 12 yen** (Interim 5 yen, year end 7 yen  
= Ordinary 5 yen+commemorative 2 yen)



# 4. New medium-term business plan “Regeneration for Quality”



**Regeneration for Quality**  
品質革新

**RO** 顧客信頼  
**Regeneration** 着くは品質向上!

**R** 販売力  
**Regeneration** マーケットシェアの確保!

**R** コスト競争力  
**Regeneration** コストカットの確立!

**R** 技術技術  
**Regeneration** 売れて儲かる商品の開発!

**R** 組織風土  
**Regeneration** 高品質生産体制の構築!

中期経営計画  
2021年～2023年  
経営ビジョン

※各事業の成長を促す、顧客の期待に応えることを目指す。  
※グローバルで事業を行うため、組織を刷新する。  
※各事業の成長を促す、顧客の期待に応えることを目指す。

# Long-term management vision

FUJITEC Co., Ltd.

[Fujitec global mission statement]

“Fujitec value its corporate resources - People, Technologies and Products - and collaborates with people from nations around the world to develop beautiful, functional cities that meet the needs of new age.

Based on the above, we aim to realize long-term management vision below.

**Long-term management vision (2007 – 2016)**

**-- *Top Quality for Customers* --**

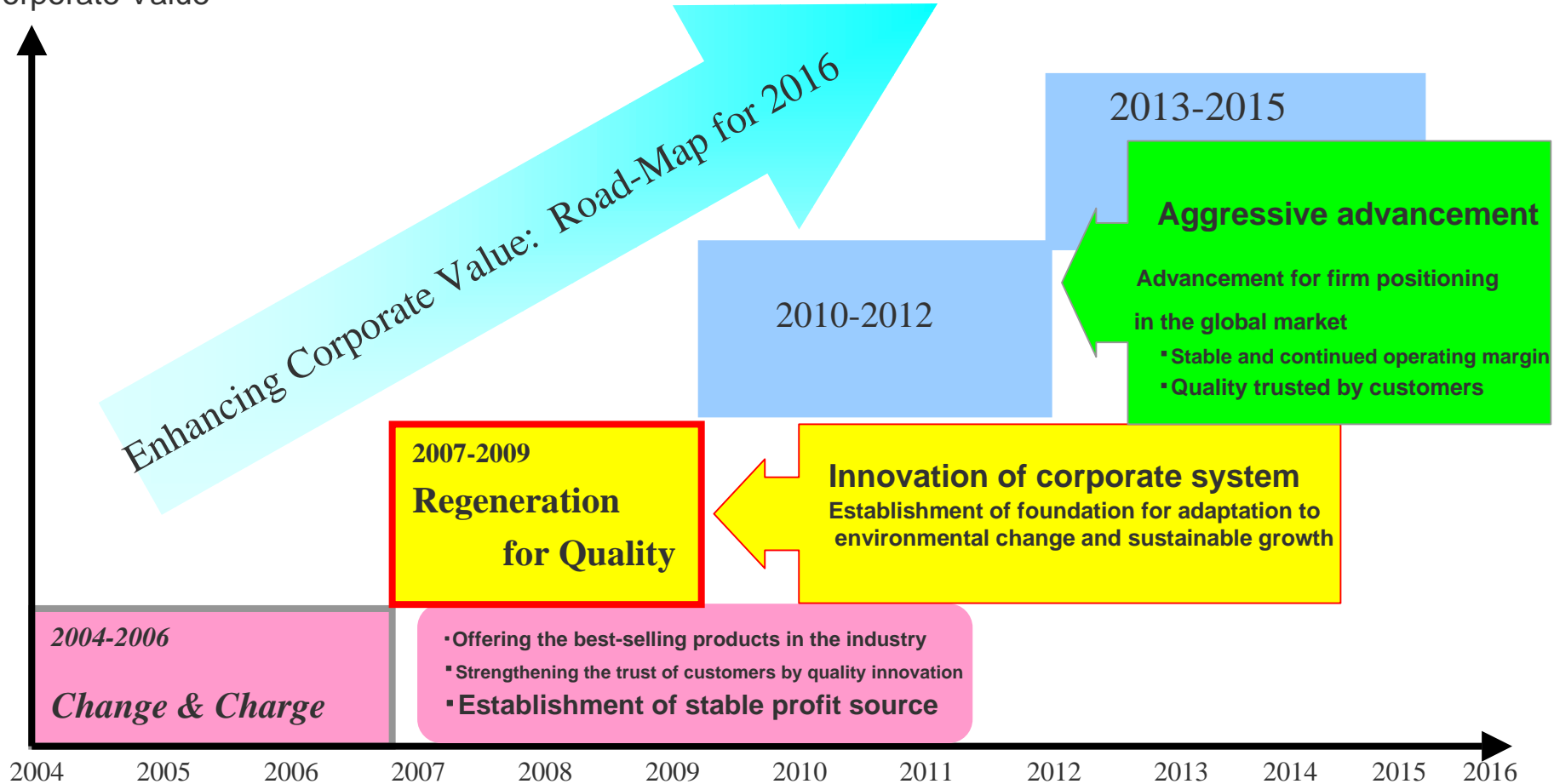
**Fujitec is going to be a globally No.1 quality brand.**

- ◆ Supplying products and services that earn the trust and satisfaction of customers
- ◆ Creating new forms of value and contribute to society by placing importance on sensitivity and creativity
- ◆ Becoming a company where every employee can develop, and take pride in being a member of a specialized manufacturer

# Long-term management vision Road-map for 2016

FUJITEC Co., Ltd.

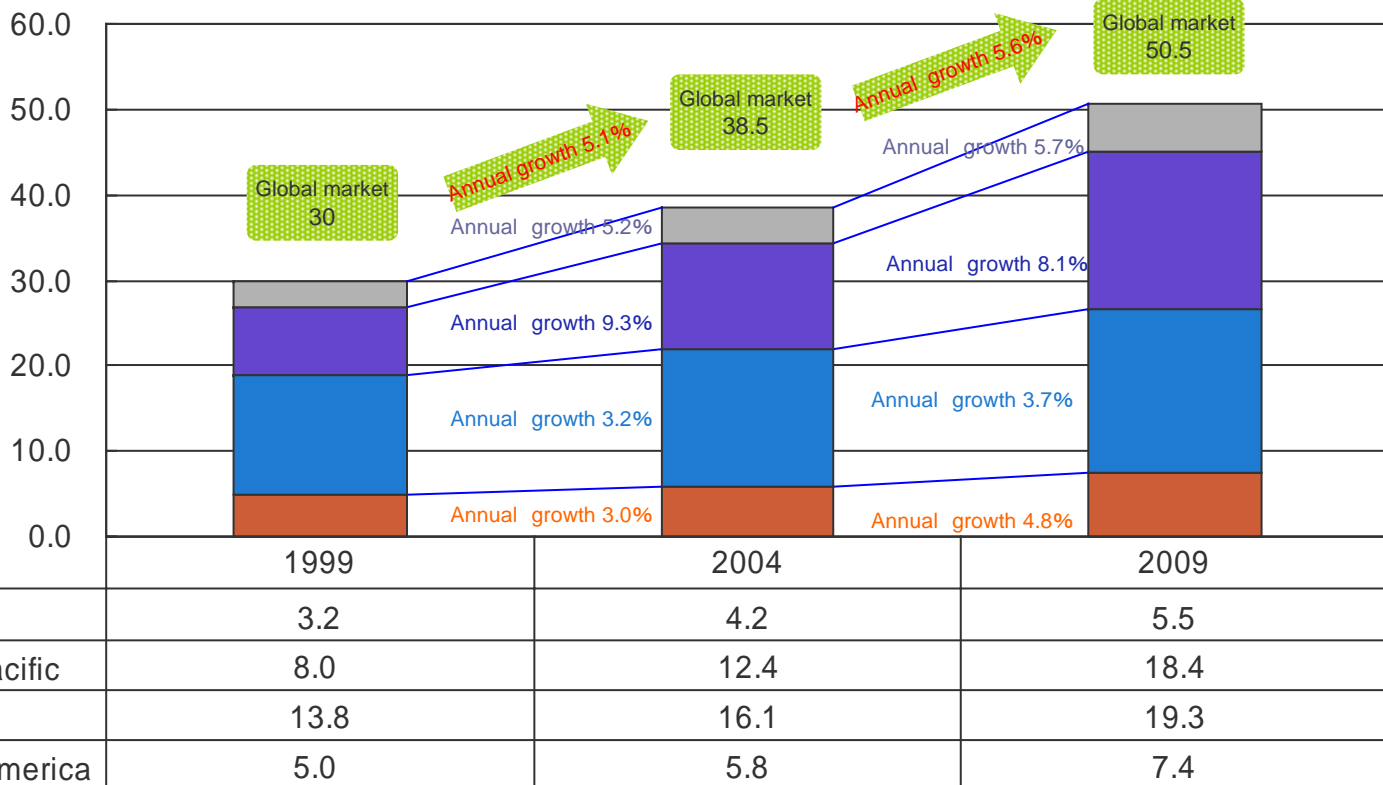
Corporate Value



# Market size

FUJITEC Co., Ltd.

## Global demand for elevators



(billion dollar)

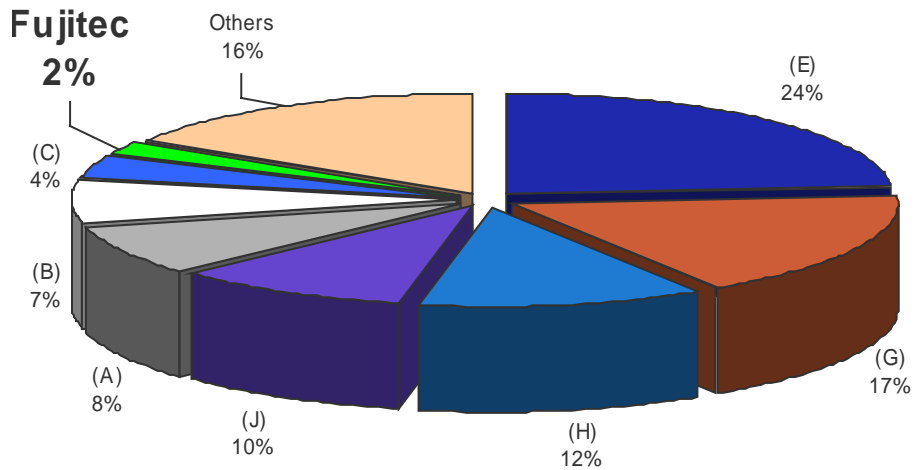
Source: 2006 Freedonia Group

- Accelerated market growth is expected in Middle East, Russia and India following the continued market growth of China
- Expansion of maintenance and modernization in advanced nations such as Japan

# Global players (Competitors)

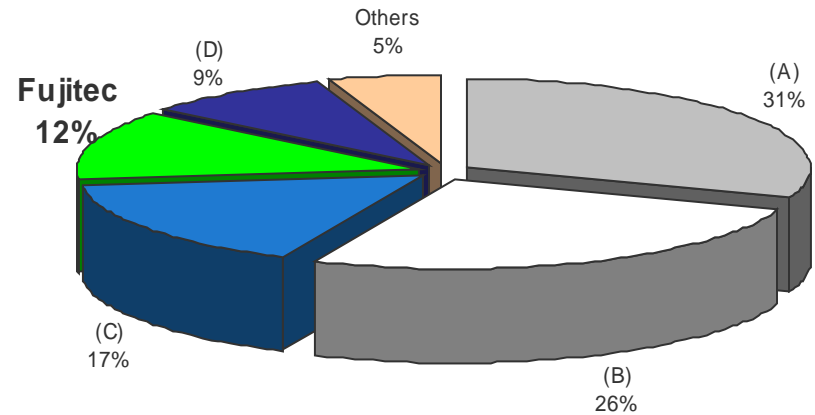
FUJITEC Co., Ltd.

## Global 8th rank



(Source: Germany Financial Times 2006: by gross sales )

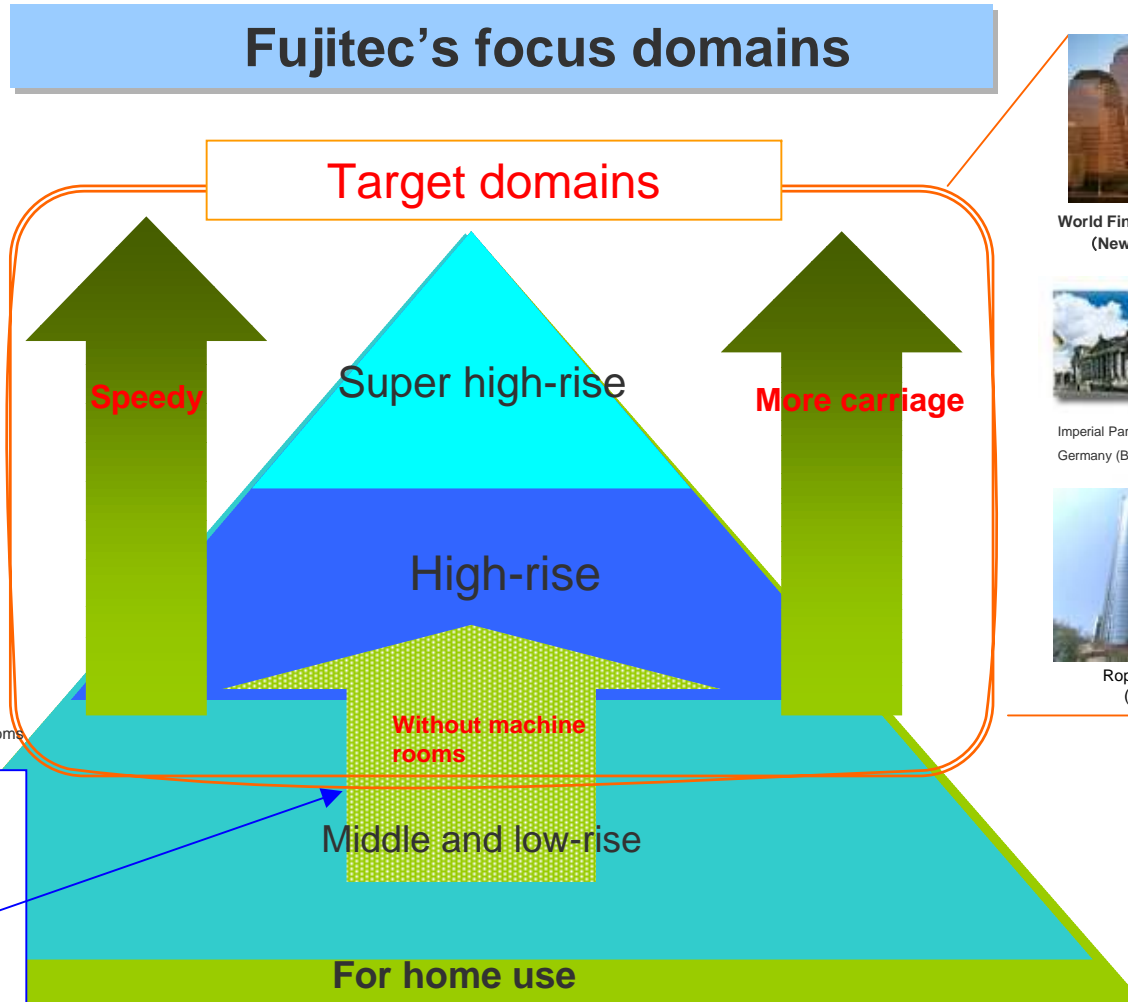
## Domestic 4th rank



(Source: Yano Research Institute 2004: by production output)

# Market trend and target domains

FUJITEC Co., Ltd.



<Representative Projects>



World Financial Center (New York)



Gate City Ohsaki (Tokyo)



Imperial Parliamentary Building of Germany (Berlin)



International Finance Center (Hong Kong)



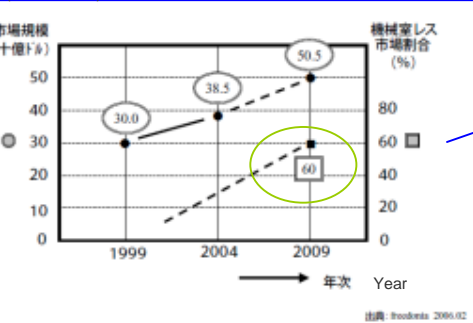
Roppongi Hills (Tokyo)



The Peninsula hotel (Hong Kong)

\* Elevators without machine rooms will account for 60% of the elevator type ratio in 2009

Market scale (billion dollar)      Ratio of elevators without machine rooms in the market



## Regeneration for Quality

New medium-term business plan: Foundation for further advancement in next 3 years

### Management vision

- Strengthening the trust of customers by prioritizing safety and quality
- Offering the best-selling products in the global market
- Reform the corporate structure to build a sound base for sustained growth

### Strategic points

- **Improvement of gross margin** by launch of new products and procurement from China. Achievement of **operating margin of 8%** by reduction of SG&A expenses !
- **Market share expansion** in growing markets (China, Middle East, India etc.) based on sales records for symbolic buildings in Japan and global markets
- Earnings strengthening **by expansion of maintenance in mature markets and modernization**

# Management goal 《Income goal》

FUJITEC Co., Ltd.

**Achievement of Consolidated sales 122.4 billion yen, Operating margin 8% in FY 2009**

FY 2006 (100 million yen)			FY 2009 Goal (100 million yen)		
	Sales	Operating income		Sales	Operating income
Japan	507	10.5		586	49.0
East Asia	278	22.7		389	30.4
South Asia	87	8.7		120	14.2
North America	216	△0.5		197	4.6
Europe	17	△0.2		12	0.0
Intra-company transaction	△60	△0.8		△80	△0.2
<b>Total</b>	<b>1,047</b>	<b>40.3</b>		<b>1,224</b>	<b>98.0</b>
<b>Operating margin</b>		<b>3.9%</b>			<b>8.0%</b>

Average dollar-yen exchange rate 117 yen

115 yen(assumed)



# Regional strategies: 《For goal attainment》

FUJITEC Co., Ltd.

## Europe

- Rollout of selected products
- Focus on maintenance operations

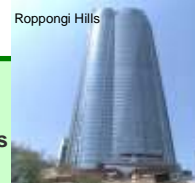


Renaissance London  
Chancery Court Hotel  
(London)

## Japan

- Launch of new standard type elevators
- Increase volume of maintenance customers and increase sales of modernization
- Enhance installation and maintenance skills and improve a preventive maintenance system

Roppongi Hills



900 North Michigan



World Financial Center



## East Asia

- Strengthen infrastructure for increasing sales in China
- Reinforce escalator-manufacturing capabilities by starting operations at the new factory of Shanghai Huasheng Fujitec Escalator
- Utilize the Shanghai Sourcing Center
- Secure maintenance customers and increase sales of modernization

Materials·Park

## North and South America

- Conduct efficient operations that reflect local markets (To be a dominant No.1 in the strategic areas such as NY)
- Selection of business areas and products
- Reinforce maintenance operations, increase sales of modernization

## South Asia

- Increase sales in ASEAN region
- Establish a framework for group companies to purchase parts and equipment from Singapore



Shri Sri Sankar



# Example of patented products

FUJITEC Co., Ltd.

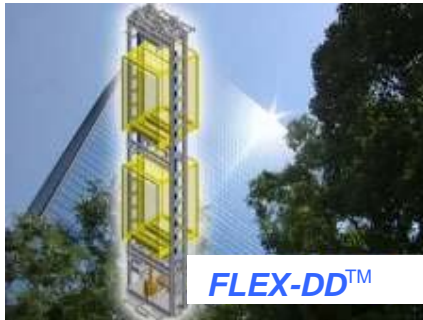


## TALON™ DRIVE

### ■ Patented product :

#### **The world's first system for driving elevators**

Moving up and down of cage by driving a belt pressing against ropes



## FLEX-DD™

### ■ Patented product :

(The world's first system for automatic cage adjustment)

Automatic adjustment of the interval between upper and lower cabs according to floor-to-floor distances



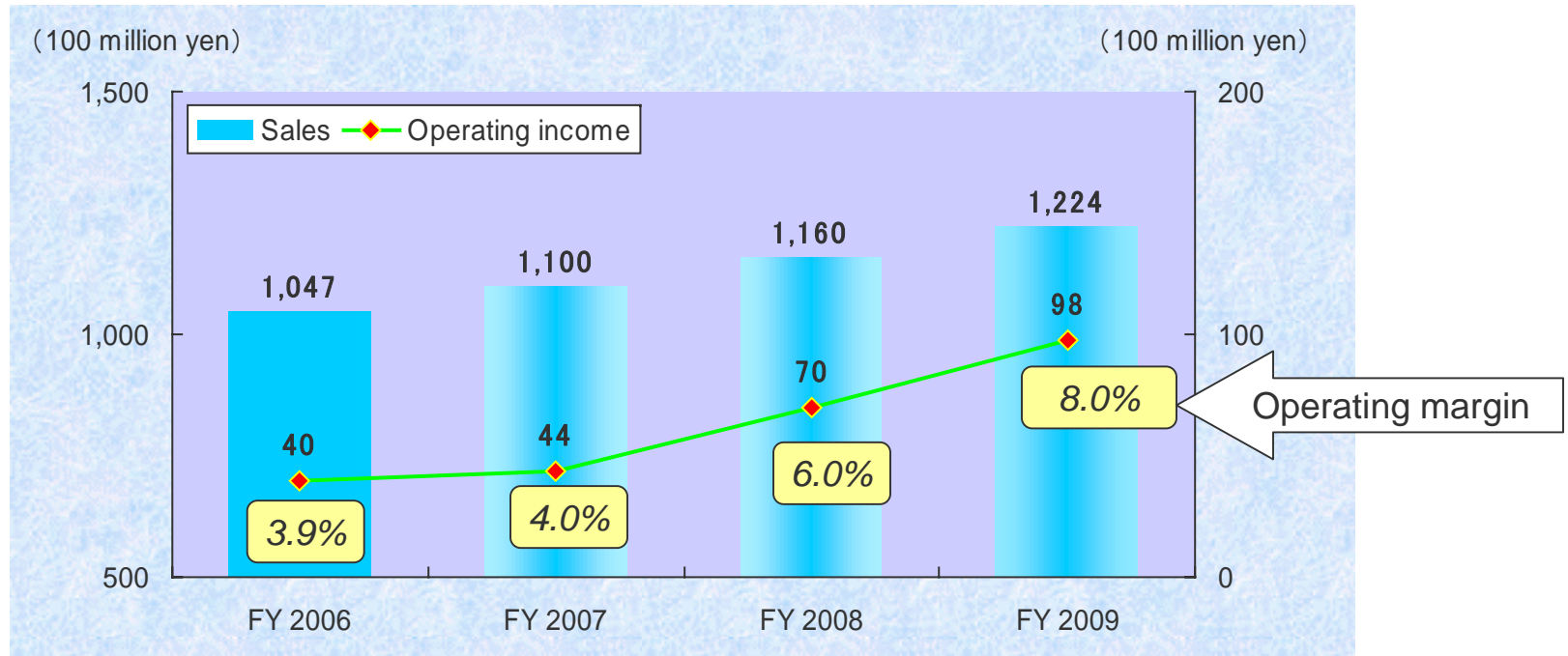
## NEUROS™

### ■ Patented product :

The world's first system equipped with eurocomputer  
Advanced elevator group supervisory control system

# Goal of New medium-term business plan

FUJITEC Co., Ltd.



## Major measures

- ☆ Launch of new standard type elevators in Japan and application of the products for global markets
- ☆ Earnings increase in maintenance and modernization businesses
- ☆ Increasing sales of elevators and escalators in China and strengthening of production and procurement system
- ☆ Increase sales in ASEAN region
- ☆ Conduct efficient operations that reflect local markets

# Strengthening of corporate governance

FUJITEC Co., Ltd.

To fulfill its social responsibility, Fujitec believes that it is vital to conduct business activities in a manner that earns the trust of shareholders, customers, employees and all other stakeholders. The Company is building a more powerful management framework rooted in fairness and transparency through the enhancement and reinforcement of corporate governance so that decisions are reached properly and business operations are executed with speed.

## 【Strengthening of governance system: Clarification of supervisory, executive and audit functions】

- Adoption of operating officer system
- One-year term of directors
- Establishment of the Board of Auditors and Corporate Auditors Department
- Addition of two outside directors (three in total)

## 【Compliance system / Risk management system】

- Establishment of Compliance Committee
- Establishment of Risk Management Committee
- Adoption of “Fujitec-hotline”: Consultation and reporting system as to violation of laws
- Strengthening of CSR activities such as environmental issues

## 【For increase of corporate and shareholders' value】

- Promotion of aggressive IR activities
- Adoption of takeover defenses (Rule based on the approval at general shareholders' meeting, establishment of independent committee)

**Inquiry:** IR office: TEL(0749)30-7111  
Mail: [ir@fj.fujitec.co.jp](mailto:ir@fj.fujitec.co.jp)

<http://www.fujitec.co.jp>

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