



**FUJITEC CO., LTD.** (TSE 1・OSE 1: Code 6406)  
**Fiscal 2009 Results Presentation**

June 3, 2009

[www.fujitec.com](http://www.fujitec.com)

**FUJITEC**

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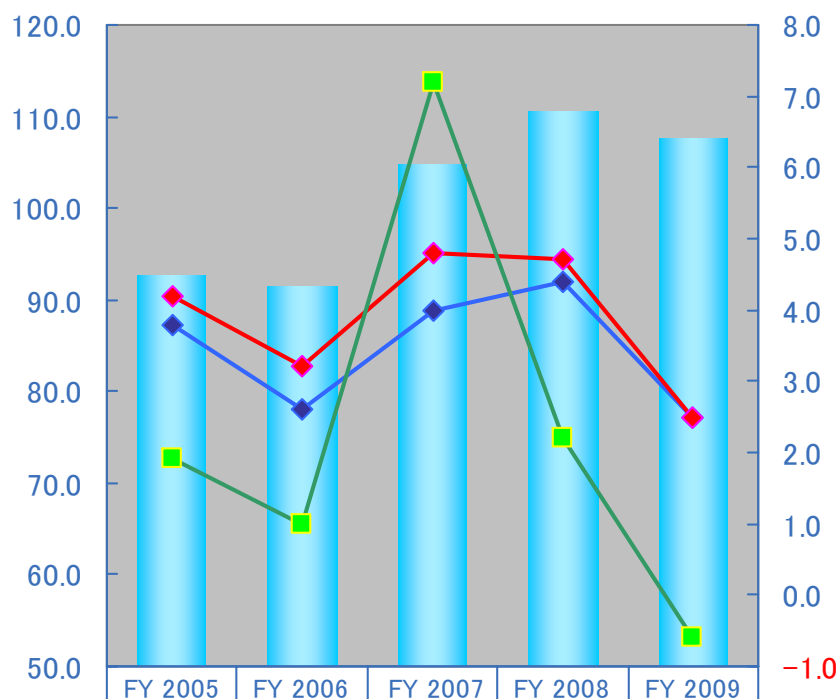
# **1. Operating Highlights for Fiscal 2009**

**(Consolidated, from April 2008 to March 2009)**

# Results (Consolidated)

## Sales/Income

(billion yen)

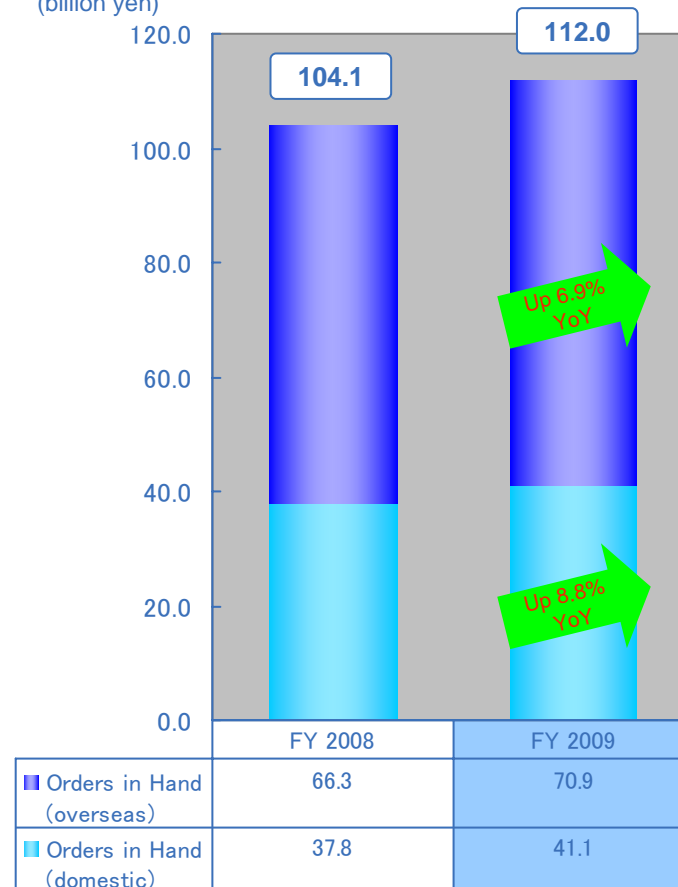


Sales (Left)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Operating income (Right)	3.8	2.6	4.0	4.4	2.5
Ordinary income (Right)	4.2	3.2	4.8	4.7	2.5
Net income (Right)	1.9	1.0	7.2	2.2	-0.6

Recorded special profits including gain on sale of fixed assets

## Orders in Hand (+7.6% YoY)

(billion yen)



## Operating Highlights for Fiscal 2009

- Amid the global slowdown, domestic sales declined by 5.4% YoY and overseas sales remained unchanged from the previous fiscal year due to the appreciation of the yen. As a result, total consolidated overseas and domestic sales declined by 2.7% YoY to ¥107.6 billion.
- Orders in hand in Japan increased by 8.8% YoY as a result of offsetting a slowdown in demand for new installations caused by a downturn in the real estate market with modernization and repair. Overseas increased by 6.9% YoY due to increase in orders received mainly in China. Overall, orders in hand increased by 7.6% YoY to ¥112 billion.
- Regarding profit and loss, consolidated operating income declined by 42% YoY to ¥2.5 billion as higher earnings overseas mainly in Asia were not enough to offset the domestic operating loss. Consolidated net income resulted in a net loss ¥600 million due mainly to inventory valuation loss, write-down of investment securities and reversal of deferred tax assets. Annual dividend was revised to ¥10.
- The **XIOR** standard elevator became the first elevator to be certified by Japan's Ministry of Land, Infrastructure, Transport and Tourism in association with an elevator door safety mechanism requirement that will be enacted in September 2009 as part of the amended Building Standards Law. We started selling the XIOR in April 2008. In October 2009, we will begin full-scale operations at the Shanghai Sourcing Center. The Center will contribute to increasing sales in China, which is the world's largest elevator and escalator market, and supply high-performance, high-quality devices to other countries.

# Fiscal 2009 Financial Highlights

## Consolidated

The domestic operating loss was offset with higher earnings in East and South Asia but consolidated operating income declined by 42% YoY to ¥2.5 billion, income before income taxes was ¥1.2 billion and net loss was ¥600 million following the reversal of deferred tax assets and deduction of minority interests.

## Non-consolidated

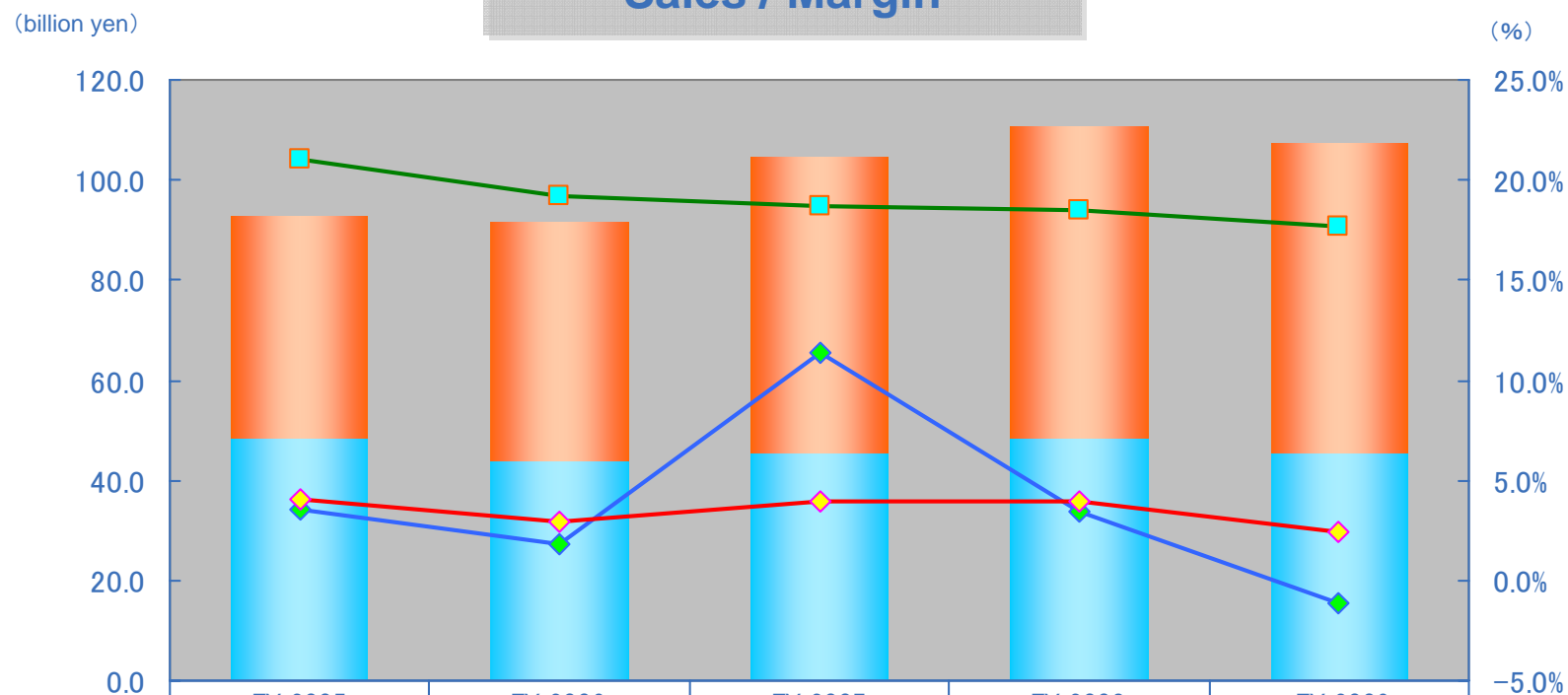
In addition to decrease in net sales due to a downturn in the real estate market, high raw material prices and yen appreciation lowered gross profit by ¥2 billion YoY which resulted in an operating loss. There was a net loss of ¥5.8 billion due to a reversal of deferred tax assets in addition to special losses including loss on disposal of fixed assets and write-down of investment securities.

(billion yen)

	Consolidated		Non-consolidated	
	Amount	YoY change	Amount	YoY change
Sales	107.6	△2.7%	51.0	△3.0%
Operating income	2.5	△42.0%	△0.9	-
Ordinary income	2.5	△46.2%	0.1	△93.6%
Net income	△0.6	-	△5.8	-
EPS (yen)	△6.94 yen	(Previous year 23.66 yen)	△62.82 yen	(Previous year 13.48 yen)

# Results (Consolidated)

## Sales / Margin



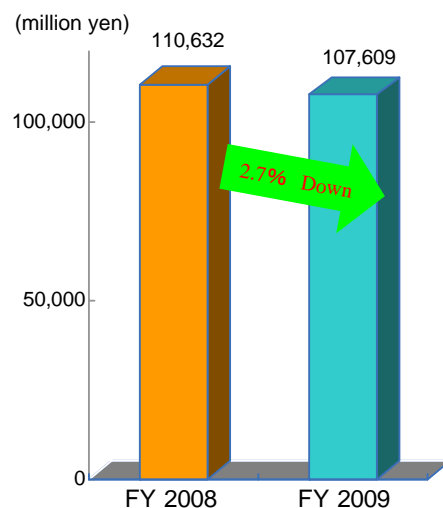
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Overseas sales	44.2	47.7	59.0	62.2	61.8
Domestic sales	48.4	43.9	45.7	48.3	45.7
Gross margin %	21.0%	19.2%	18.7%	18.5%	17.7%
Operating margin %	4.1%	2.9%	3.9%	4.0%	2.4%
ROE %	3.5%	1.8%	11.4%	3.4%	-1.1%



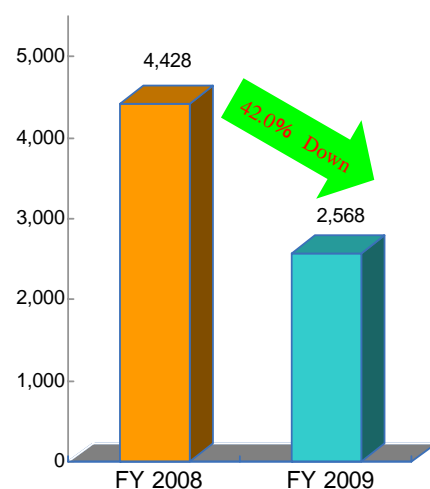
## **2. Results of Operations for Fiscal 2009**

# Fiscal 2009 Summary of Results (Consolidated)

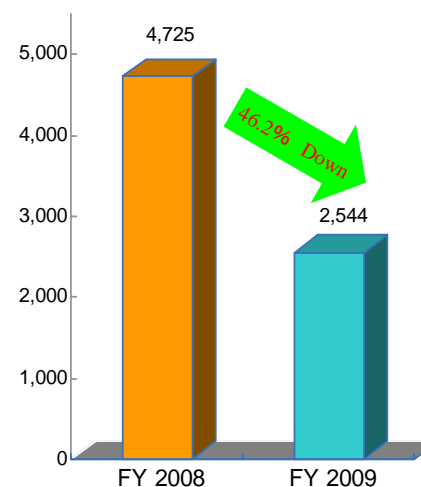
## Sales



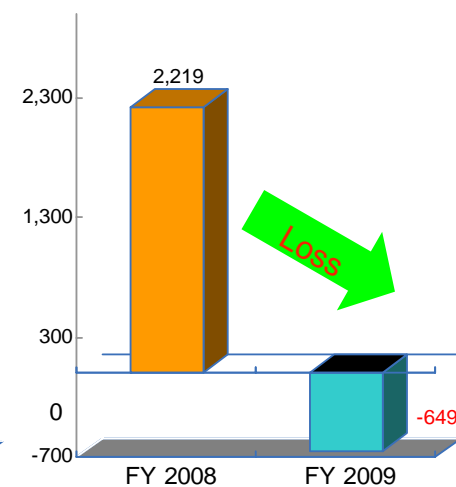
## Operating income



## Ordinary income



## Net income



(million yen)

	FY2008	FY2009	YoY (±%)	Details
<b>Sales</b>	110,632	107,609	-2.7%	Breakdown of sales: Domestic down 5.4%, overseas down 0.7%
<b>Gross profit</b>	20,419	19,023	-6.8%	Gross margin 17.7%, down 0.8 point YoY
<b>SG&amp;A expenses</b>	15,990	16,454	2.9%	SG&A expense ratio 15.3%, up 0.8 point YoY
<b>Operating income</b>	4,428	2,568	-42.0%	Operating margin 2.4%, down 1.6 point YoY
<b>Ordinary income</b>	4,725	2,544	-46.2%	Ordinary income margin 2.4%, down 1.9 point YoY
<b>Net income</b>	2,219	-649	-	Special profit/loss down ¥1.28 billion, tax expense ¥1.27 billion, minority interest ¥640 million
<b>EPS (yen)</b>	23.66	-6.94	-	

\*Average US\$/yen exchange rate: 118 yen in FY08 and 105 yen in FY09

## Fiscal 2009: Domestic and Overseas Sales



■ Sales: ¥107.6 billion (down 2.7% YoY)

— Domestic: down 5.4% YoY

Decrease in demand for new condominium buildings

Decrease in demand for commercial facilities

Growing demand for modernization projects

— Overseas: down 0.7% YoY

Despite 8.3% increase, sales declined by ¥5.5 billion due to the yen appreciation

Continuous demand in South Asia and East Asia

Slowdown in demand for new installations in North America

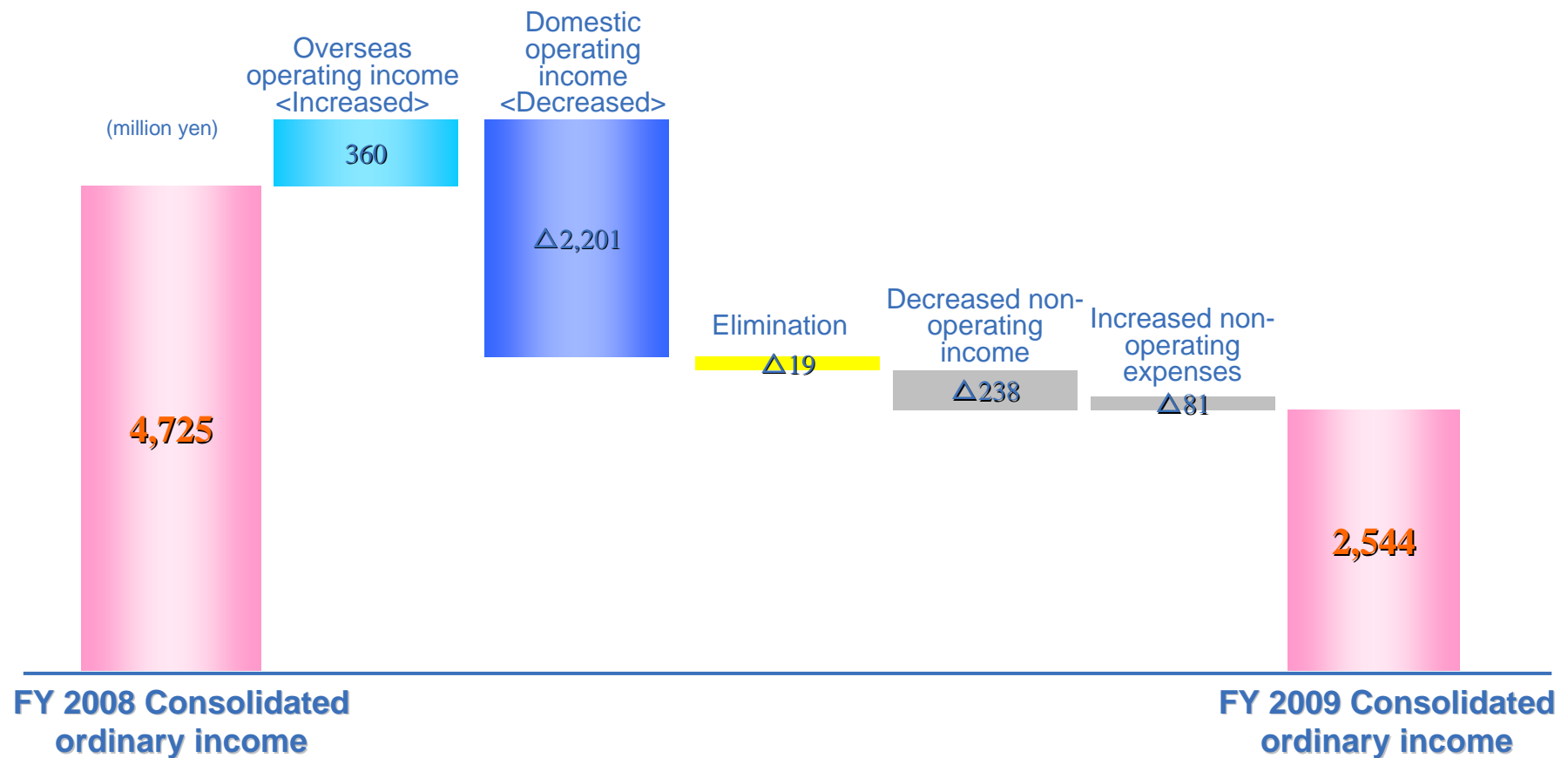
■ Orders in hand at the end of FY09: ¥112 billion (up 7.6% YoY)

— Domestic: ¥41.1 billion (up 8.8% YoY)

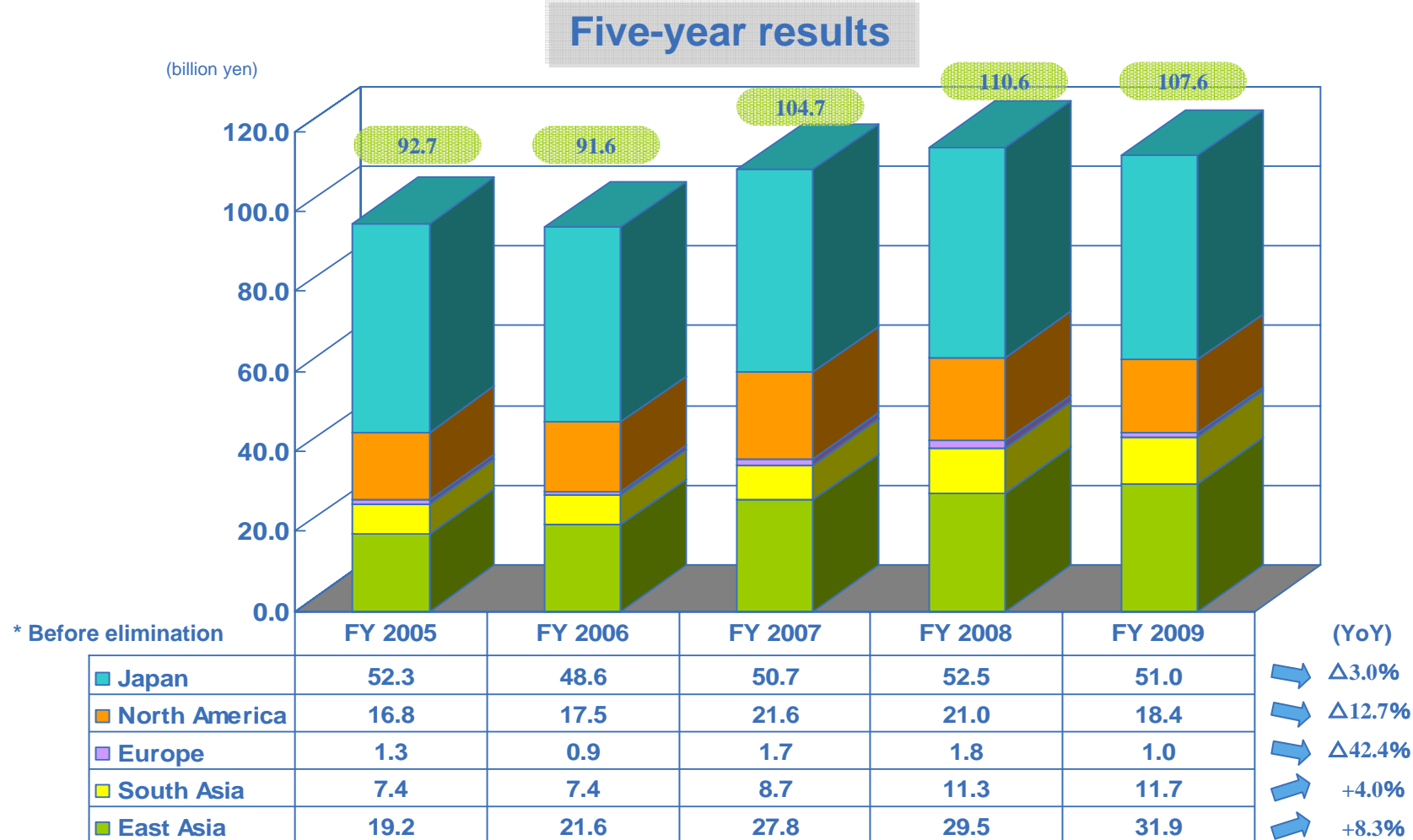
— Overseas: ¥70.9 billion (up 6.9% YoY)

## YoY Comparison of Consolidated Ordinary Income

### Factor for YoY decrease in ordinary income



# Fiscal 2009: Sales by Region



(Note): Figures do not match the domestic/overseas sales figures on page 10 because some export sales to overseas customers are included in Japan segment.

## Fiscal 2009: Sales and Operating Income by Region

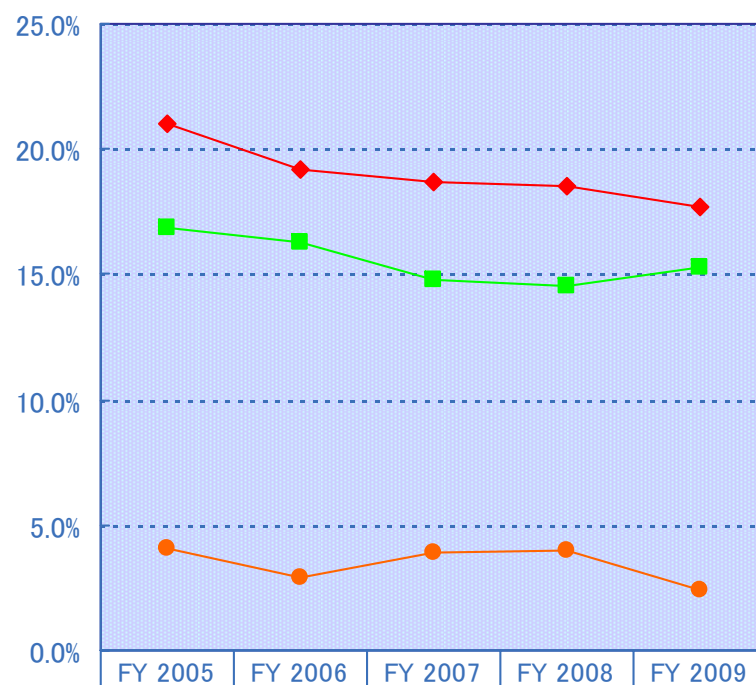
(billion yen)

	Sales			Operating income		
	FY08	FY09	YoY change (%)	FY08 (margin %)	FY09 (margin %)	YoY Difference
Japan	52.5	51.0	Δ3.0%	1.24 (2.4%)	Δ0.96 (-)	↓ Δ2.2
North America	21.0	18.4	Δ12.7%	0.03 (0.2%)	Δ0.02 (-)	↓ Δ0.06
Europe	1.8	1.0	Δ42.4%	0.06 (3.6%)	Δ0.01 (-)	↓ Δ0.08
South Asia	11.3	11.7	4.0%	1.13 (10.0%)	1.50 (12.8%)	↑ 0.37
East Asia	29.5	31.9	8.3%	1.93 (6.5%)	2.06 (6.5%)	↑ 0.13
Subtotal	116.3	114.2	-	4.41	2.57	
Elimination	Δ5.7	Δ6.6	-	0.01	Δ0.00	
Consolidated	110.6	107.6	Δ2.7%	4.42	2.56	
			Operating margin	4.0%	2.4%	

- Japan:** Resulted in an operating loss as increases in maintenance and modernization were not enough to offset the drop in new installations.
- North America/Europe:** In addition to drop in new installations, decreased sales due to the yen appreciation and amortization of goodwill resulted in an operating loss.
- South Asia:** Operating margin increased due to improvement in new installations.
- East Asia:** Operating margin remained flat due to high raw material prices despite higher sales in China.

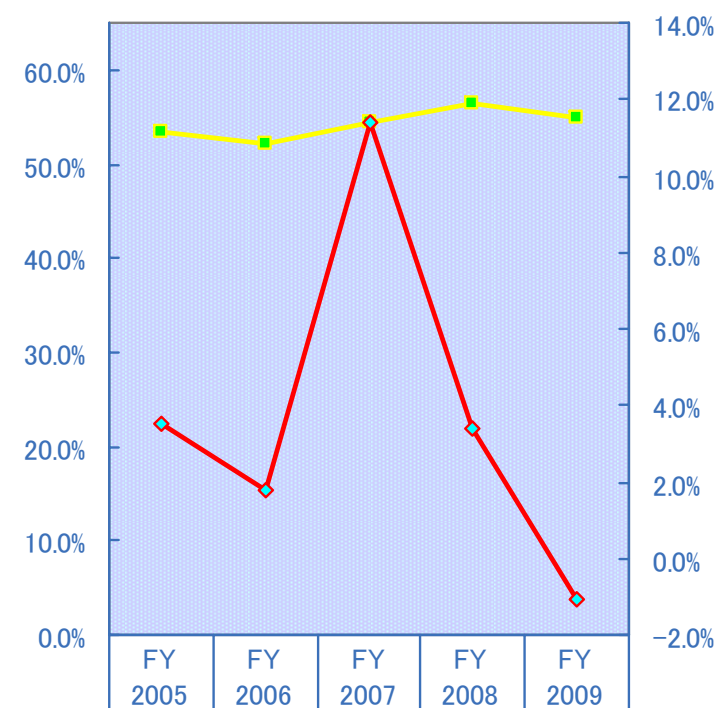
# Financial Indicators

## Gross margin, SG&A expense ratio, Operating margin



◆ Gross margin	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	21.0%	19.2%	18.7%	18.5%	17.7%
■ SG&A expense ratio	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	16.9%	16.3%	14.8%	14.5%	15.3%
● Operating margin	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	4.1%	2.9%	3.9%	4.0%	2.4%

## Equity ratio, ROE



■ Equity ratio(L)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	53.5%	52.2%	54.3%	56.4%	54.9%
◆ ROE (R)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	3.5%	1.8%	11.4%	3.4%	-1.1%

# Fiscal 2009: Consolidated B/S, CF

(million yen)

	FY08	FY09	Change %	Remarks
<b>Current assets</b>	66,981	60,644	-9.5%	
Cash and deposits	17,661	21,422	21.3%	¥3.7 billion increase
Notes and accounts receivable-trade	30,048	24,460	-18.6%	
Inventories	17,210	13,506	-21.5%	
Others	2,060	1,253	-39.2%	
<b>Fixed assets</b>	45,061	40,179	-10.8%	
Tangible fixed assets	28,404	25,835	-9.0%	Sold assets due to relocation of a subsidiary
Intangible fixed assets	3,816	2,613	-31.5%	Amortization of goodwill, etc. ¥1.2 billion
Investments and others	12,841	11,730	-8.7%	Decrease in net unrealized gain on securities
<b>Total assets</b>	112,043	100,823	-10.0%	
<b>Current liabilities</b>	36,017	31,659	-12.1%	
Notes and accounts payable-trade	11,687	10,697	-8.5%	
Short-term debt	8,272	6,339	-23.4%	Repaid short-term debt
Current portion of long-term debt	800	112	-85.9%	Repaid long-term debt
Accrued income taxes	485	554	14.1%	
Advances from customers	6,393	6,116	-4.3%	
Others	8,378	7,838	-6.4%	
<b>Long-term liabilities</b>	7,669	9,353	22.0%	Increase of ¥3.5 billion in long-term debt
<b>Net assets</b>	68,355	59,810	-12.5%	¥2.5 billion decrease due to net loss, dividends and changes in accounting procedure, ¥1.1 billion decrease in net unrealized gain on securities, ¥4 billion increase in deducted foreign currency translation adjustments, etc.
<b>Equity ratio %</b>	56.4%	54.9%	-	
<b>Total liabilities &amp; net assets</b>	112,043	100,823	-10.0%	
<b>BPS</b>	675.4yen	591.9yen		

	FY08	FY09
Operating cash flows	3,453	8,431
Investing cash flows	2,675	△14,185
Free cash flows	6,129	△5,754
Financing cash flows	△6,594	△781
Cash and cash equivalents	16,866	9,388

**Net increase of ¥13.1 billion investment in time deposits**

**【Operating cash flows】**  
Decrease in accounts receivable and inventories

**【Investing cash flows】**  
Net increase of ¥13.1 billion investment in time deposits

**【Financing cash flows】**  
Net increase of ¥1.2 billion in short- and long-term debt  
¥1.8 billion payment of interests and dividends



### **3. Medium-term Plan and Fiscal 2010 Business Policy**

## Mid- and Long-term Management Vision

### Fujitec Global Mission Statement

“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.”

### Long-term management vision (2007 — 2016)

— *Top Quality for Customers* —

Fujitec will be a global brand with No. 1 quality

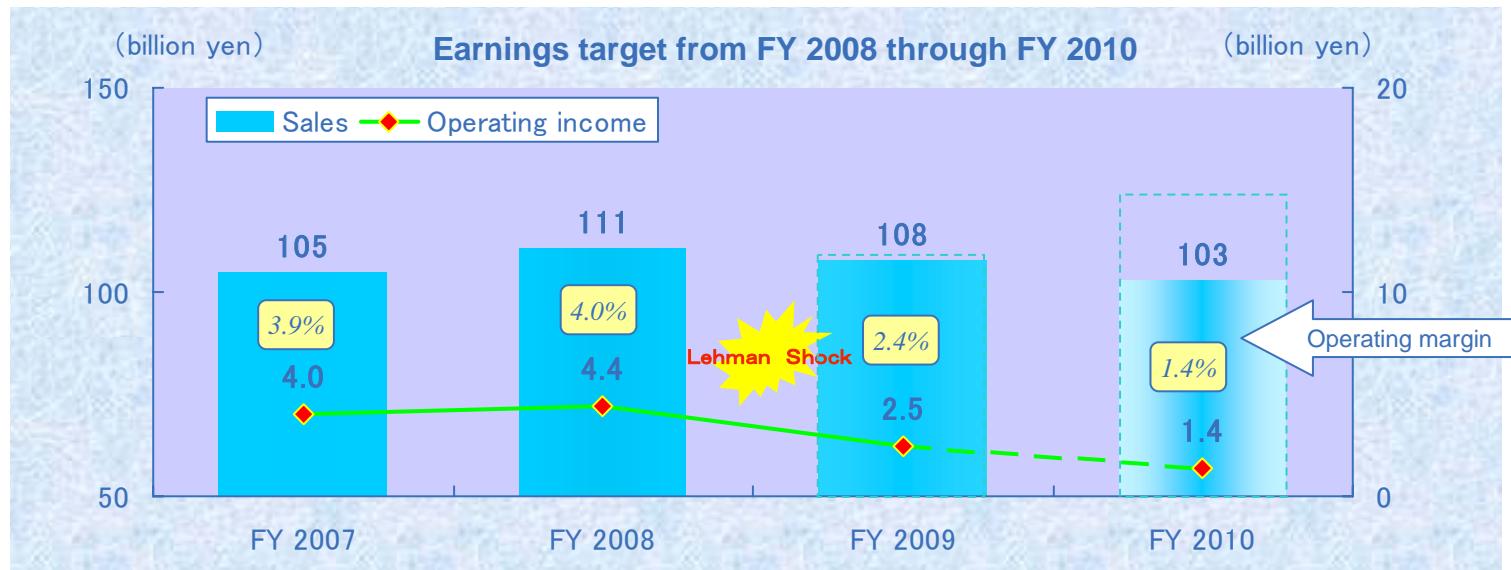
- ◆ Providing products and services that can be trusted and appreciated by customers
- ◆ Providing a new value by placing importance on sensitivity and creativity
- ◆ Making a company where each employee can grow and take pride in being a corporate member



## Review of Medium-term Business Plan

- In June 2007, Fujitec set the “Medium-term Business Plan “**Regeneration for Quality**” aiming to be a global brand with No.1 quality which is the Company’s long-term management vision.
- In the first year of our medium-term business plan (FY 2008), we achieved a consolidated operating income of 4.4 billion yen and an operating margin of 4% as planned. However, the severe global recession following the Lehman Shock prevented us from reaching the plan’s targets in FY 2009.
- Our goal for the current fiscal year, which is the business plan’s final year, was an operating margin of 8%. But we are reexamining the plan because of the difficult operating environment.

# Fiscal 2010 Earnings Target and Operating Environment



## Changes in operating environment from FY 2008 onwards

- Sharp price rise of raw materials
- Further worsening of domestic real estate market
- Stronger yen
- Delayed economic recovery in Japan, Europe and USA

Respond to rapidly changing environment

## Measures for medium-term business plan

- Introduce safe and more economically efficient products
- Drastic cost reduction and strong financial standing
- Strengthen sales structure and target orders for modernization
- Build an infrastructure toward global supply system

# Fiscal 2010 Business Policy

## ■Japan:

- Thorough quality control and reductions of development, design and production costs
- Further strengthening of sales division/services and modernization divisions
  - Increase sales of services and modernization with particularly greater potential
- Build an organization to respond to changes in operating environment

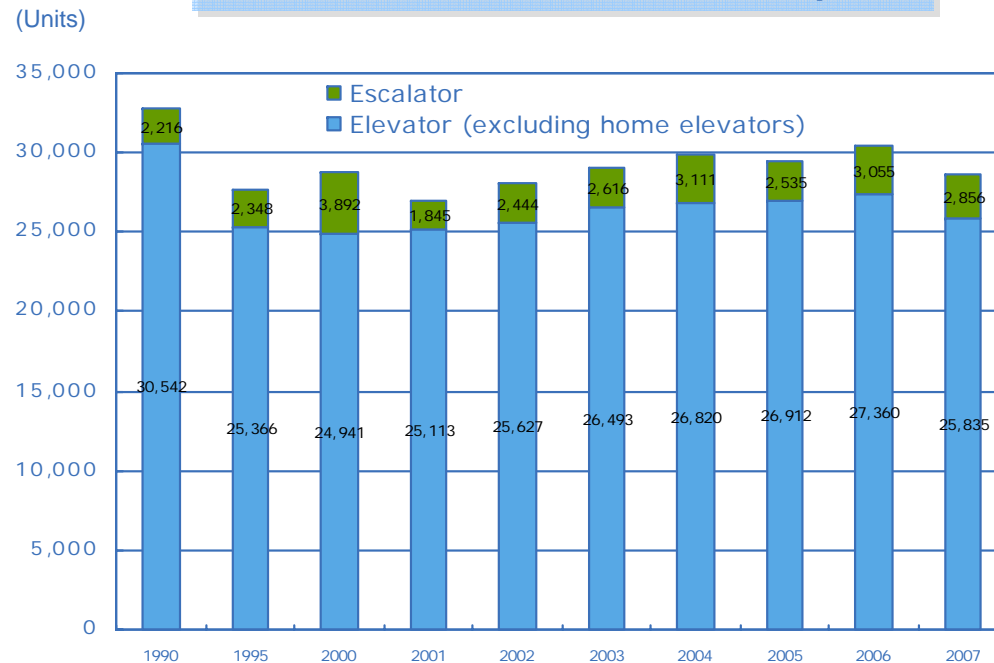
## ■Overseas:

- Be selective in accepting orders in North America and Europe and target modernization project
- Increase sales of new installations in East Asia, including China, and South Asia
- Full-scale operation of Shanghai Sourcing Center, a global devices supply base
- Strengthen activities in India

## The Market in Japan (New Installations)

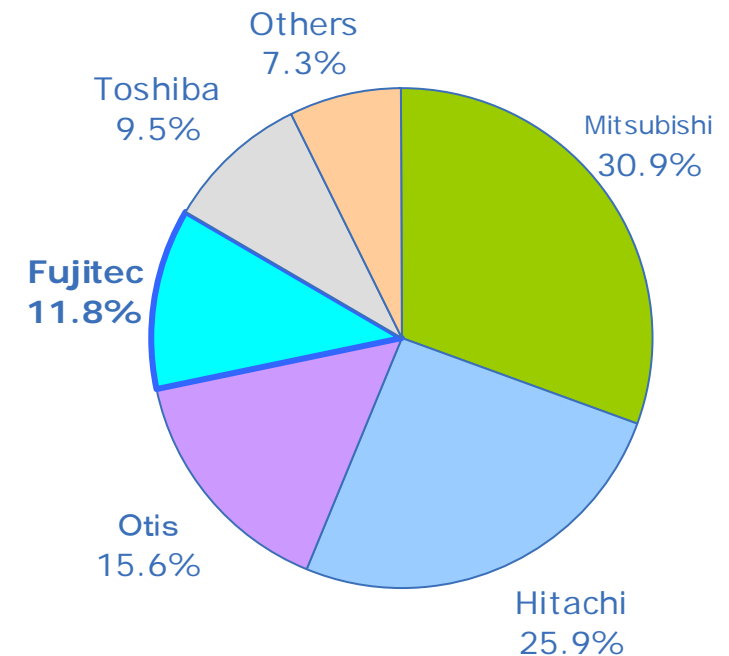
- Demand for newly installed elevators for buildings and condos hover around the 25,000 unit level
- Sluggish demand for residential development expected to continue

No. of escalators/elevators in Japan



(Source: Japan Elevator Association)

Elevator market share in Japan (FY08)



(Source: Market Share Almanac 2009 (Yano Research Institute))

## New installation Market in Japan: Increase Sales of New Products (1)

### ■ New standard elevator “XIOR” introduced last year

- April 2009: First elevator company to receive Ministry of Land, Infrastructure, Transport and Tourism certification for Unintended Car Movement Protection (UCMP) ⇒ A big competitive edge for increasing sales in the current fiscal year
- Goal is to receive ministry UCMP mechanism certification for the entire elevator lineup

#### Safety and security

“Triple Door Sensor” for greater elevator door safety (standard equipment)  
Equipped with “LANDIC” (Emergency Landing Device)



Photoelectric multi-axis sensors



#### Comfort

Elevator LCD indicators are easier to see and use  
Extra care taken to optimize air quality for comfort and hygiene



Plasmacluster

#### Harmonic space

LED lighting for natural illumination, a longer life and lower power consumption  
Offers more freedom in building designs



## New Installation Market in Japan: Increase Sales of New Products (2)

### ■ Introduced last year: New standard escalator “GS type”

— Joint development of China and Japan: **Global standard product**

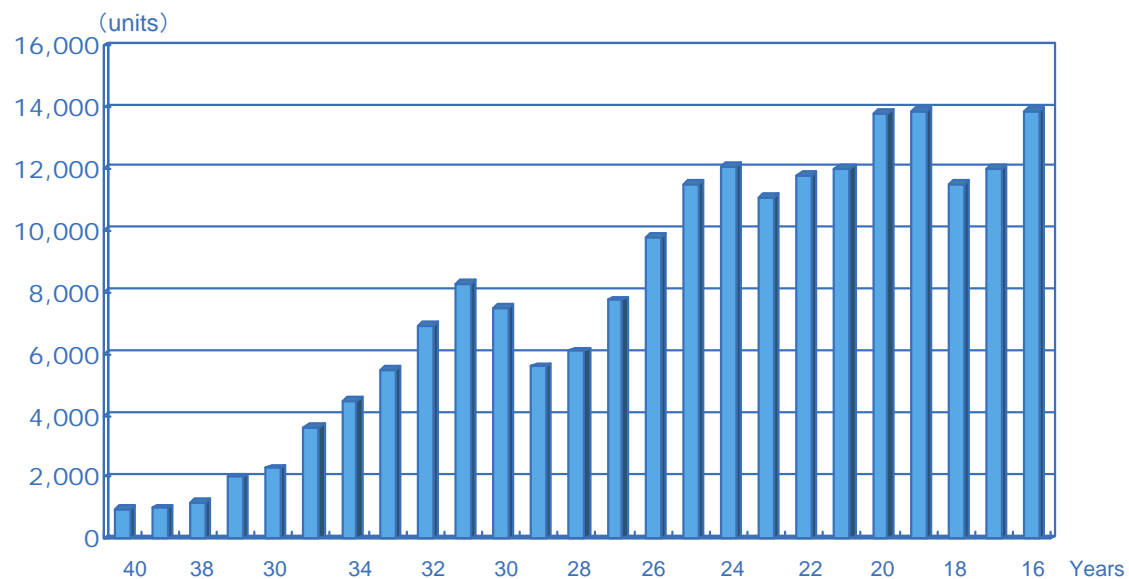
- Further promote safety, functionality and beauty
- Equipped with various safety devices
- Various options for services and energy-saving



## The Market in Japan (Modernization Market)

- About 600,000 elevators now operating in Japan
- 100,000 elevators are in service beyond 25 years = Total market scale of about ¥1 trillion
- A demand for modernization of 10,000 elevators/year would generate annual market of ¥100 billion

Elevators in use vs service years



(Source: "Elevator Industry" April 2007, Japan Elevator Association, Estimate for March 2005)

## Targeting Opportunities for After-market Services (1)

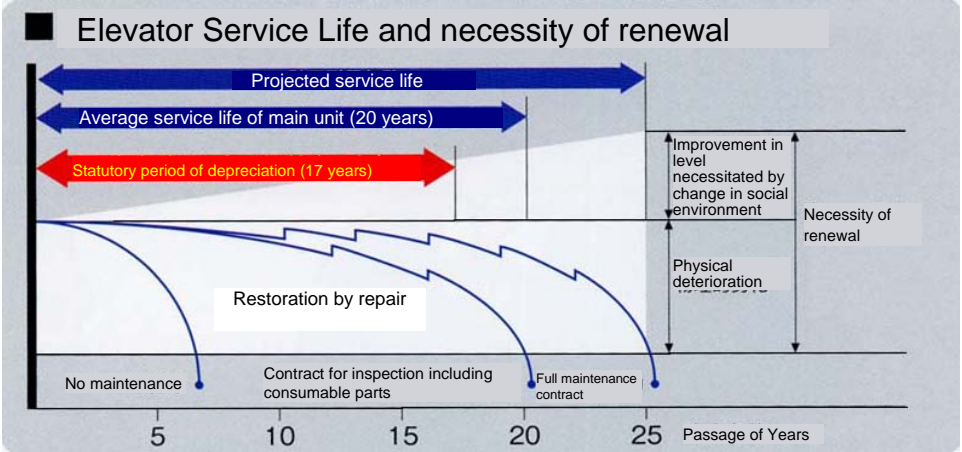
- **Increase sales to target demand for modernization**
- **A consistent mid and long-term source of earnings**

Elevator useful life is 17 years for Japanese taxation purpose

A dramatic decline in the frequency of breakdown  
(source: Fujitec)

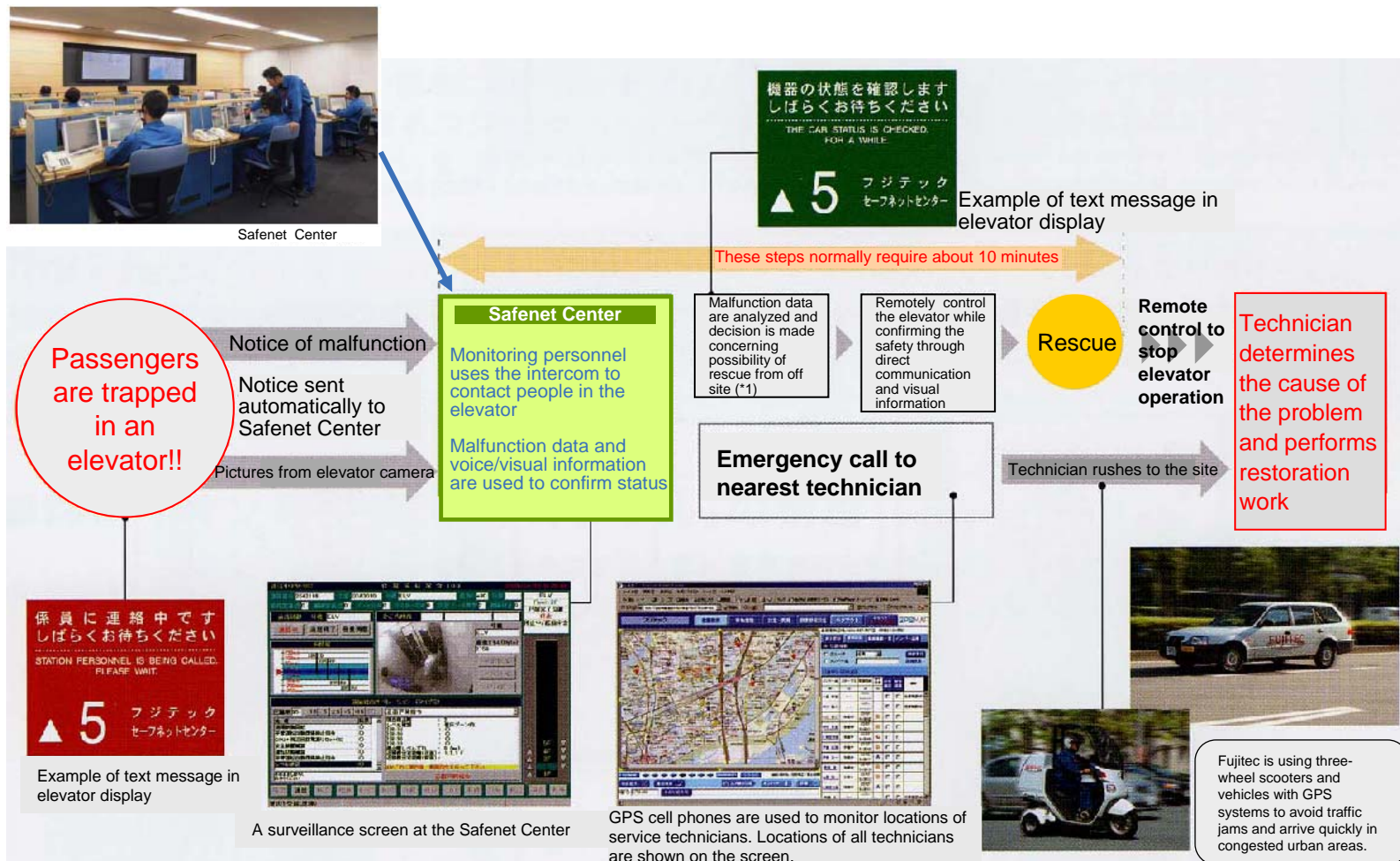


## Elevators also need modernization



## Targeting Opportunities for After-market Services (2)

### Remote maintenance monitoring system NEW Gold Maintenance



# Initiatives in Japan: Infrastructure

- Build an infrastructure that supports business plan
  - **Big Step: Base for developing and manufacturing escalators** (Toyooka, Hyogo)
  - Establish a speedy consistent structure extending from development to manufacturing
  - **Big Fit: Field's Technical Base** (Ibaraki, Osaka)
  - Start field-related technology development and training and modernization business to establish an aftermarket sales structure



# Policy toward Overseas Market

## ■ North America: Relocate to the new US plant

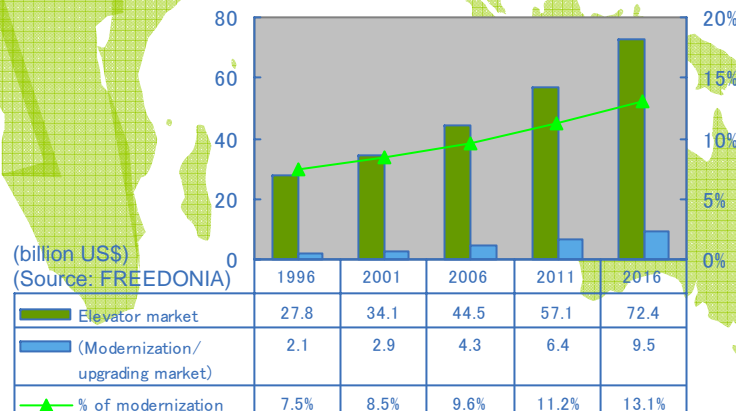
- Be selective in accepting orders for new installations with emphasis on profitability, Expansion of modernization business
- Cost reduction, Quest for efficiency



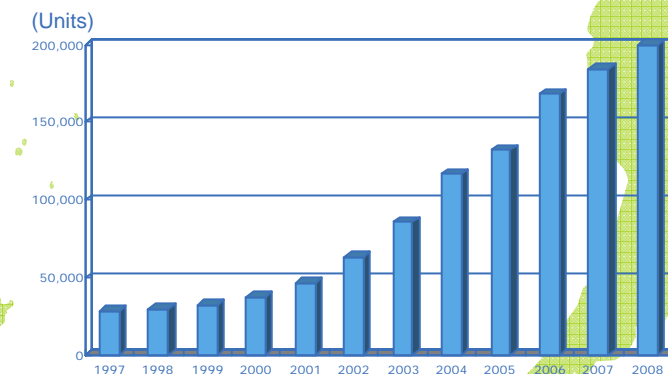
## ■ Asia: Growing area

- Introduce new elevators to increase market share in China
- Full-scale operation of “Shanghai Sourcing Center” → **Global device supply system**
- Full-scale operations in India

Global elevator market size  
Modernization market size



Elevator/escalator market sizes in China (units)



(Source: Prepared by Fujitec based on China Elevator Association and industry data)

## Major Orders Received / Completed (Japan)

■ **Aeon Laketown**  
65 elevators and escalators



■ **Mid Capital Tower**  
5 elevators



■ **Sendai Trust Tower**  
41 elevators and escalators



■ **Hankyu Nishinomiya Gardens**  
20 elevators



# Major Orders Completed (Overseas)

■ **Palm Jameirah Monorail (Dubai, U.A.E)**  
32 elevators and escalators



■ **Repsol YPF Headquarters (Buenos Aires, Argentina)**  
16 elevators



■ **Four Seasons Hotel Mumbai (India)**  
8 elevators



■ **World Games Main stadium (Gaoxiong, Taiwan)**  
10 elevators



# Major Orders Received (Overseas)

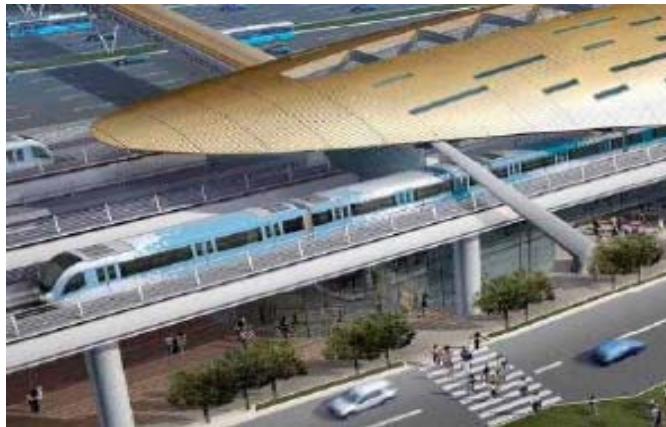
■ **Resort World Sentosa (Singapore)**  
159 elevators and escalators



■ **Tamar Development (Hong Kong)**  
83 elevators and escalators



■ **Dubai Metro (Dubai, U.A.E)**  
98 moving walkways



■ **Shin Kong Mitsukoshi Department Store, Zuoying (Zuoying, Taiwan)**  
59 elevators, escalators and moving walkways





## 4. Forecasts for Fiscal 2010

# Forecasts for Fiscal 2010

(million yen)

Consolidated	FY 2009 Actual	FY 2010 Forecast	YoY change
Net sales	107,609	103,000	△4.3%
Operating income	2,568	1,400	△45.5%
Ordinary income	2,544	1,900	△25.3%
Net income EPS	△649 △6.94yen	700 7.48yen	-

Non-consolidated	FY 2009 Actual	FY 2010 Forecast	YoY change
Net sales	51,039	54,000	5.8%
Operating income	△960	△1,600	-
Ordinary income	159	300	87.9%
Net income EPS	△5,879 △62.82yen	200 2.14yen	-

## ■ Final year of medium-term business plan “Regeneration for Quality”

- “Safety and Quality as our top priority”
- “Supplying superior products to our customers”
- “Enhancing corporate value by demonstrating our originality and uniqueness as a specialized manufacture in terms of both management and product development”

## ■ Research and development

FY 2009 2 billion yen

**FY 2010 plan 2.1 billion yen**

## ■ Capital investment

FY 2009 2.7 billion yen (Japan 1.9 billion yen, South and East Asia 600 million yen, North America 200 million yen)

**FY 2010 plan 6.7 billion yen** (Japan 5 billion yen, South and East Asia, etc. 1.7 billion yen)

## ■ Dividends

FY 2009 10 yen (Interim 5 yen, Year-end 5 yen)

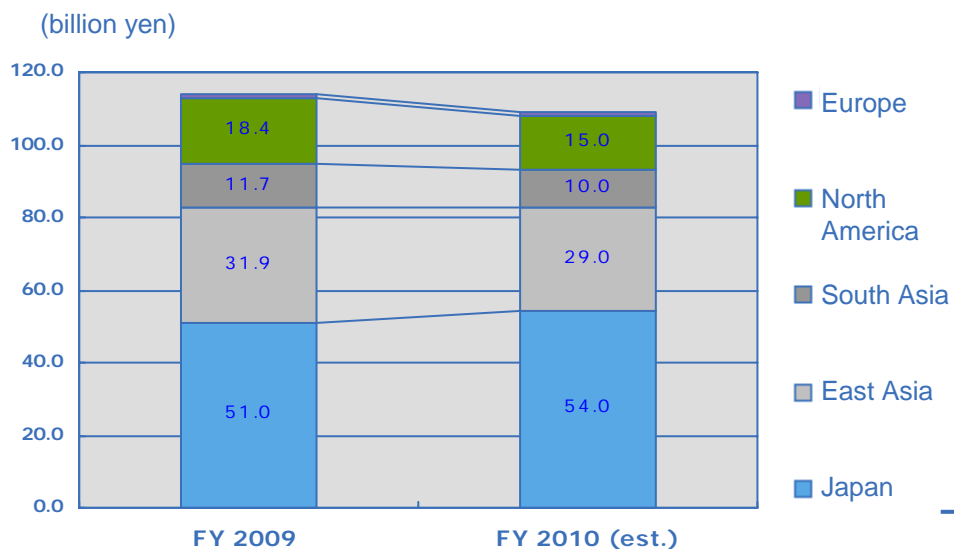
**FY 2010 (E) 8 yen** (Interim 4 yen, Year-end 4 yen)

\* Average dollar-yen exchange rate: 90 yen (assumed)

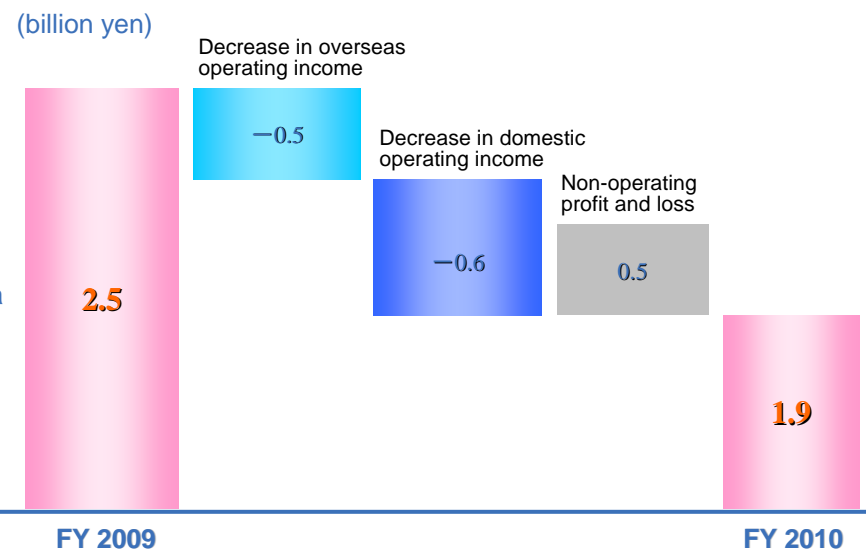
## Plan based on Fiscal 2010 forecasts

- Offset slumps in Japan, Europe and the U.S. with East and South Asia
- Start-up cost for strategic investment, etc. for continuous growth
- Overseas sales and operating income will be about the same as FY2009 but the exchange rate will be the major factor for decrease

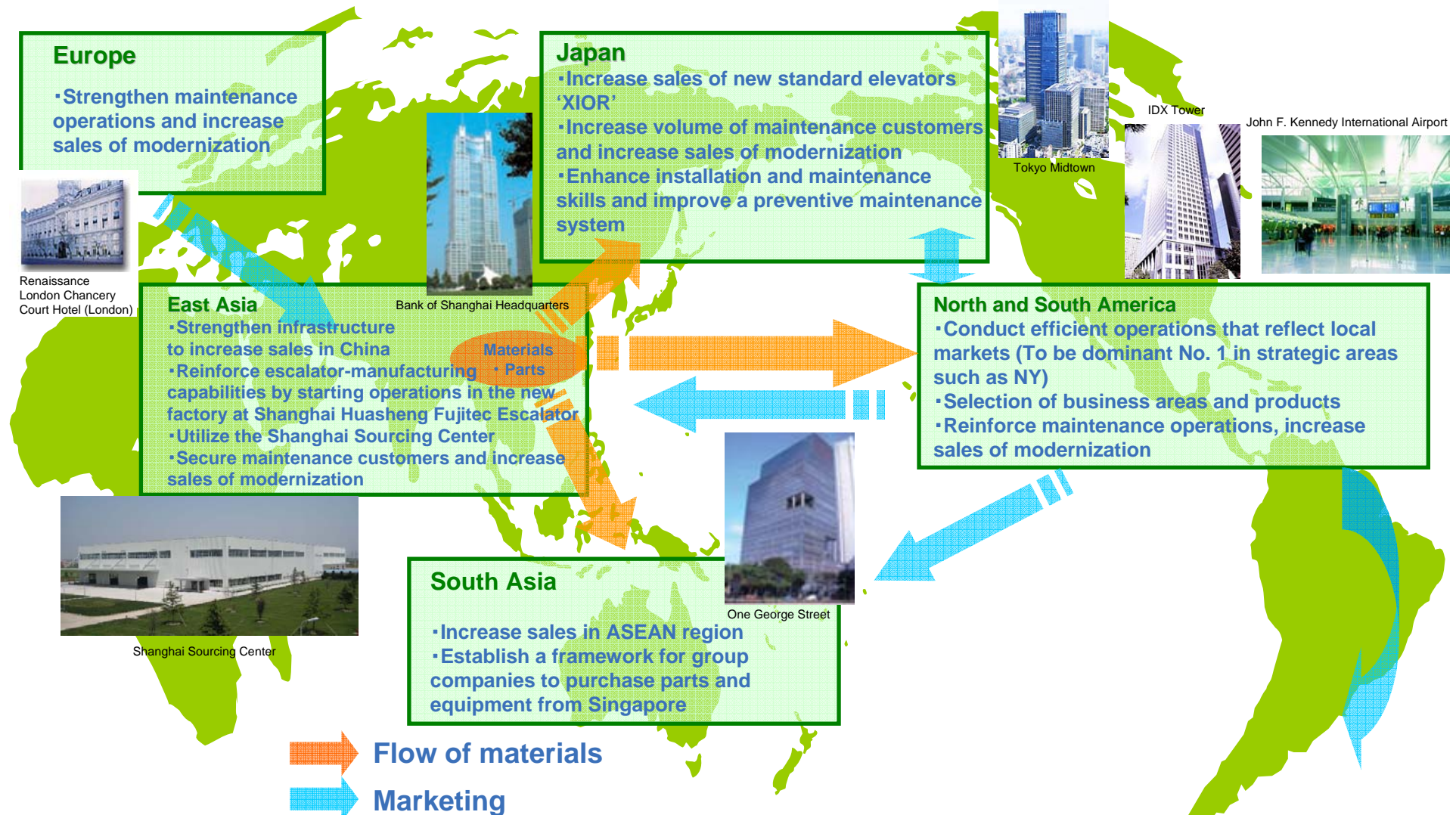
Sales plan by region (before elimination)



Estimation of factor for decrease in ordinary income

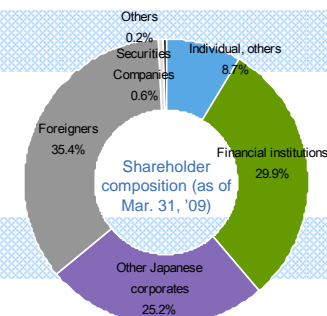


# Global Strategy



## Corporate Profile (as of March 31, 2009)

- **Name:** FUJITEC CO., Ltd.
- **Established:** Feb 1948 (Listed on May 1963)
- **Head office:** 591-1 Miyata-cho, Hikone, Shiga (Big Wing)
- **Activities:** R&D, manufacturing, marketing, installation and maintenance of elevators, escalators, moving walkways, new transportation systems, etc.
- **Common stock:** 12,533 million yen (shares issued: 93,767,317)
- **Directors:** President & CEO, Takakazu Uchiyama  
5 directors, 3 outside directors, 1 full-time corporate auditor  
(2 outside corporate auditors )
- **Employees:** Consolidated 7,456 (non-consolidated 2,726)
- **Group:** 28 group companies (including 17 consolidated subsidiaries)  
(North and South America, East and South Asia, China, Europe/Middle East)
- **Audit firm:** Osaka Audit Corporation
- **Banks:** Resona Bank, Mizuho Corporate Bank, Bank of Tokyo-Mitsubishi UFJ
- **Major shareholders:** Citigroup Global Markets, Inc. ,14.8%; Uchiyama International Ltd., 10.7%;  
(No. of shareholders 3,770) Fuji Electric Holdings Co., Ltd., 5.4%; Credit Suisse Zurich, 4.9%; Master  
(+186 from FY09/3 2Q) Trust Bank of Japan, 4.6%; Resona Bank 4.5%





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