

Annual Report 2014

Year ended
March 31, 2014



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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, fluctuations, 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.



Forum 66 (China)



© Mori Building Co., Ltd.

TORANOMON HILLS (Japan)



New York Times Tower (U.S.A.)

Moving People, Moving Cities

Fujitec is a leading manufacturer of indoor transportation systems, supplying safe and reliable elevators and escalators around the world. As urban build-up brings new skyscrapers, airports, and train stations, elevators and escalators are becoming more prominent as a feature of social infrastructure.



Elevators

Elevators are essential infrastructure in high-rise buildings.



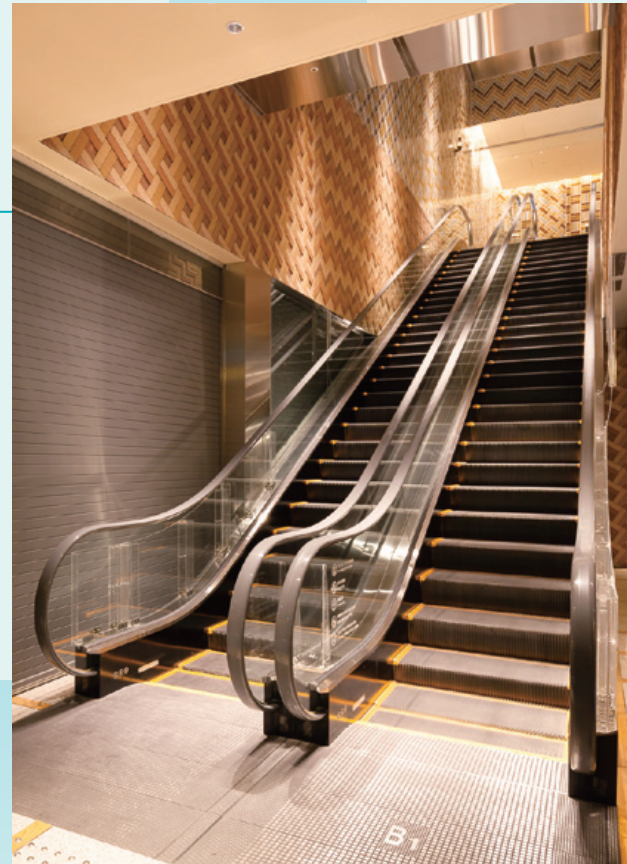
Moving walkways

Moving walkways provide smooth horizontal transport of large numbers of people.



Escalators

Escalators serve as vital infrastructure in buildings by enabling smooth pedestrian traffic.



Muromachi Furukawa Mitsui Building (Japan)

Lotte Mall Gimpo Airport (Korea)



Fujitec is a specialized manufacturer of indoor transportation systems

New Installation (Design to Installation)

In Japan, approximately 20,000 elevators and escalators are newly installed each year (as of 2014). Fujitec designs and manufactures escalators and elevators to meet customers' needs, and undertakes the entire process including installation work.



There is strong demand for new installations in emerging countries, which are undergoing rapid economic development, as well as in built-up urban centers of advanced countries.



Fujitec has accumulated the advanced technological capabilities and experience needed to supply elevators and escalators in a fully integrated system covering all aspects from development and design to manufacture, sales, installation, maintenance, and modernization.

Maintenance

Over 800,000 elevators and escalators are currently in operation in Japan (as of 2014). Fujitec conducts regular inspections of its installations to ensure that its elevators and escalators are always safe and reliable for users.

Modernization

After 20 to 25 years of service, elevators and escalators need to be modernized. Modernization is a large-scale operation that increases their safety and economic viability.



* Source: Japan Elevator Association



We maintain the elevators and escalators that we install. To do this properly, we have a nationwide network of service centers, a rapid-response parts supply center, and Safenet Centers in Tokyo and Osaka, which provide continuous monitoring 24 hours a day, 365 days a year.



Aging escalators and elevators fall behind their brand new counterparts, not only in terms of safety, reliability, and energy-saving, and so forth, but also in terms of visual appeal. Their modernization is essential for ensuring comfortable movement throughout buildings and to increase building value.

Fujitec is aiming to achieve further growth in order to achieve the targets of the Mid-Term Management Plan.

The Company recorded year-on-year increases in net sales and operating income for a third consecutive year, achieving record-high results for the fiscal year ended March 31, 2014. Looking ahead, we will capture growing demand for elevators and escalators around the world and continue to grow, aiming to achieve the targets of our Mid-Term Management Plan “Grow Together! Yes, Fujitec Can” which finishes in the fiscal year ending March 31, 2016.

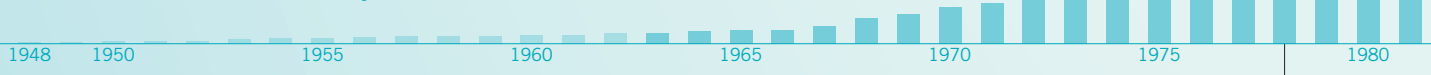


Phase 1

Begin Global Expansion

- **1964** Fujitec (HK) Co., Ltd. was established as Fujitec's first overseas base.
- **1972** Fujitec Singapore Corpn. Ltd., was established.
- **1974** The Company was listed on the First Section of the Tokyo Stock Exchange.
- **1977** Fujitec America, Inc. was established.

Net Sales (Millions of yen)



Consolidated financial results from the fiscal year ended September 30, 1978

Global Expansion

1960s



Hong Kong/Korea

1970s



Singapore/Venezuela/United States/
Argentina/Malaysia

1980s



Taiwan/Saudi Arabia/Egypt/The Philippines/
United Kingdom/Guam and Saipan/Indonesia

Phase 4

Building a Global Supply Chain

- 2014 Huasheng Fujitec Elevator's new "Xiangyun Research Tower" was completed in China.

Phase 3

Expansion of Business Sites

- 1997 Huasheng Fujitec Elevator's production site completed in China.
- 2002 Shanghai Huasheng Fujitec Escalator's production site was completed in China.
- 2006 R&D and production functions were integrated at "Big Wing" in Japan.
- 2010 The escalator development and production site "Big Step" was completed in Japan.
- 2010 The aftermarket base "Big Fit" was completed in Japan.
- 2011 Fujitec India Private Ltd. was established as a production site in India.

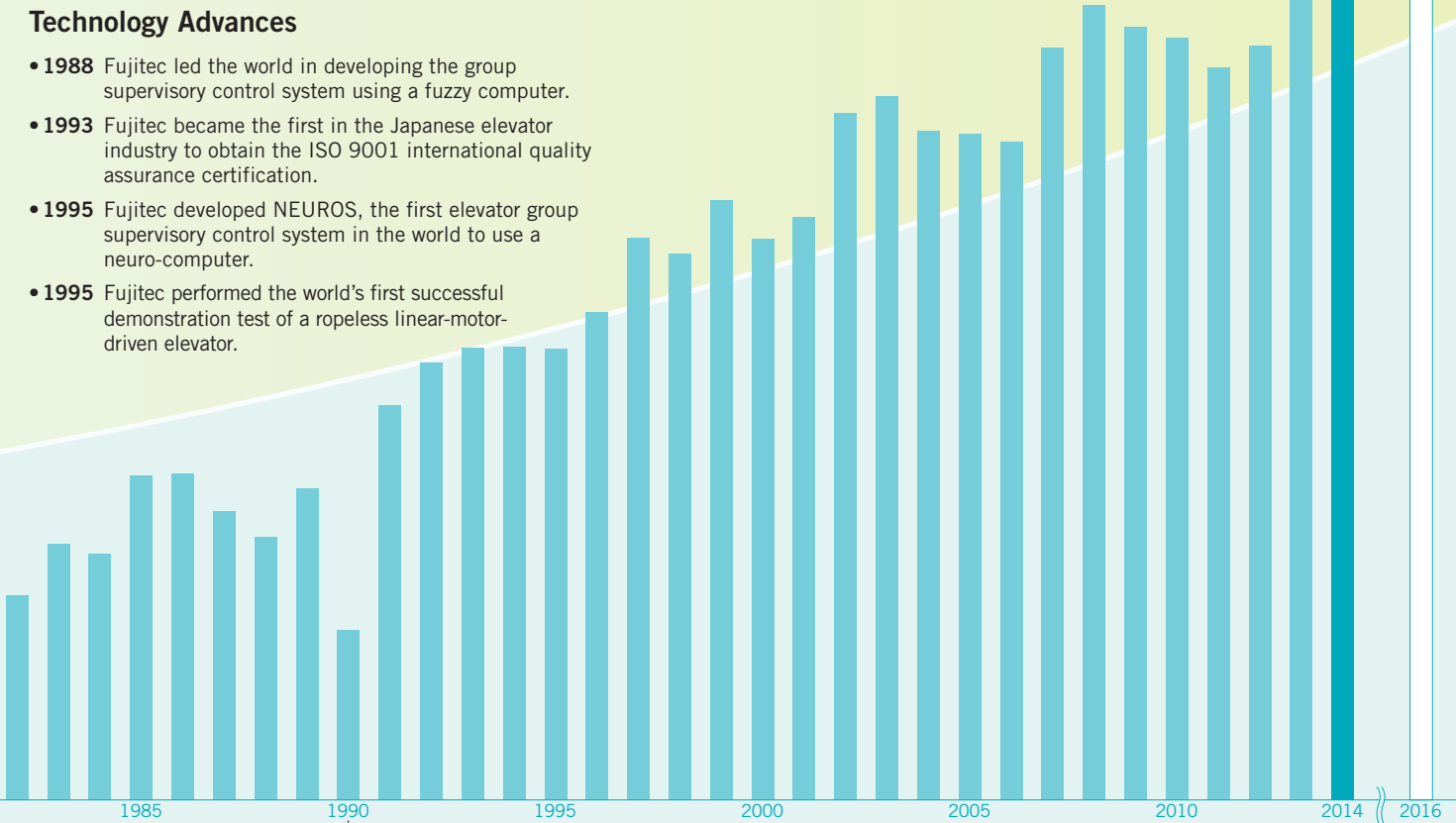
FY2013

147,054

Phase 2

Technology Advances

- 1988 Fujitec led the world in developing the group supervisory control system using a fuzzy computer.
- 1993 Fujitec became the first in the Japanese elevator industry to obtain the ISO 9001 international quality assurance certification.
- 1995 Fujitec developed NEUROS, the first elevator group supervisory control system in the world to use a neuro-computer.
- 1995 Fujitec performed the world's first successful demonstration test of a ropeless linear-motor-driven elevator.



1990 Fiscal year-end changed to March 31

1990s



Canada/Germany/China

2000s



India/Vietnam/United Arab Emirates

2010s



Uruguay/Thailand

Six-Year Summary

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

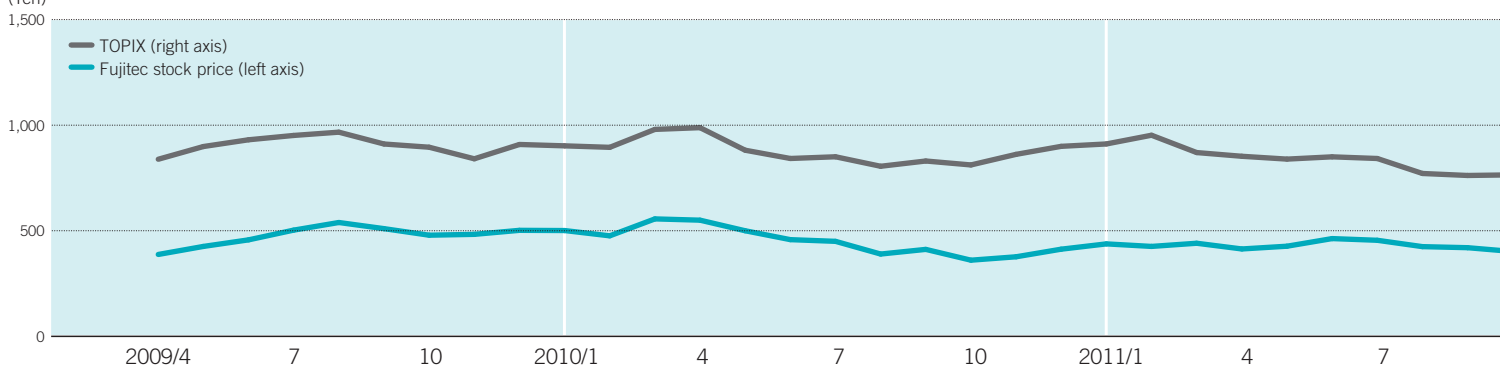
	2014.3	2013.3
For the year:		
Net sales	¥147,054	¥117,468
Domestic sales	58,338	49,805
Overseas sales	88,716	67,663
Operating income	12,871	9,172
Net income (loss)	7,664	5,507
Comprehensive income	19,450	12,043
R&D expenses	1,976	1,930
Capital investment	1,867	1,614
Depreciation and amortization	2,237	2,083
Acquisition of property, plant and equipment	2,007	1,544
At year-end:		
Total assets	¥154,265	¥122,643
Net assets	93,501	78,272
Cash Flow:		
Cash flows from operating activities	¥ 9,294	¥ 7,913
Cash flows from investing activities	(2,655)	(232)
Cash flows from financing activities	(3,823)	(3,048)
Cash and cash equivalents at end of year	20,903	15,519
Per share of common stock:		
Net income (loss) per share	¥ 82.32	¥ 58.87
Diluted net income per share	82.31	—
Net assets per share	912.40	768.64
Cash dividends per share	22.00	16.00
Main indices:		
Shareholders' equity ratio	54.8%	58.6%
Return on Shareholders' equity	9.8%	8.2%
Other:		
Order backlogs		
Domestic	¥ 40,692	¥ 37,896
Overseas	103,189	71,076

Notes

1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥103 to US\$1.00, which was the exchange rate on March 31, 2014.
2. During the fiscal year ended March 31, 2010, the accounts of Fujitec Shanghai Sourcing Center Co., Ltd. (China) were newly included in the consolidation.
3. During the fiscal year ended March 31, 2011, the accounts of Fujitec Holdings Sdn. Bhd. (Malaysia) were newly included in the consolidation.
4. During the fiscal year ended March 31, 2011, the accounts of Fujitec Vietnam Co., Ltd. and Fujitec, Inc. (Philippines) were removed from the consolidation.

Stock Price

(Yen)

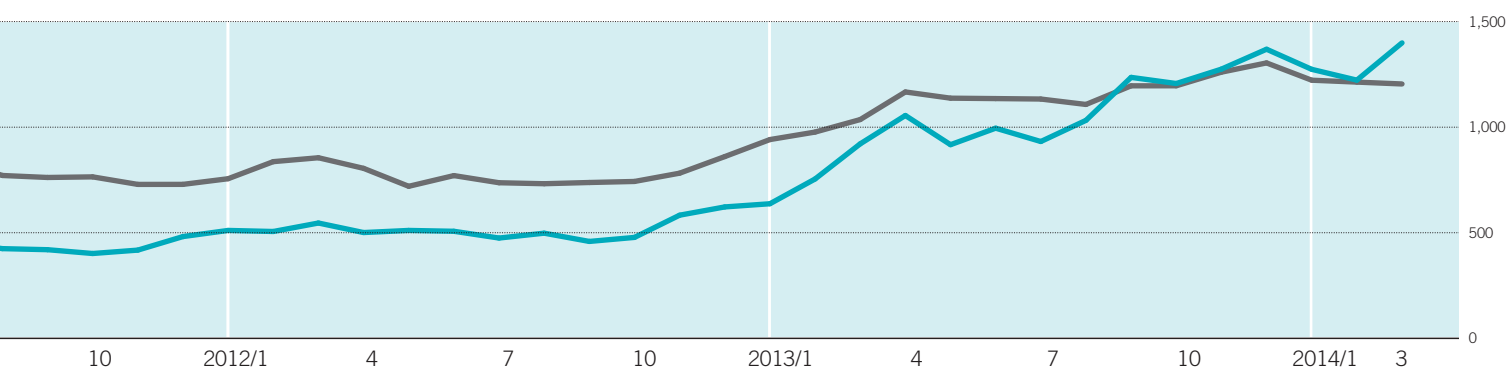


(Millions of Yen)				(Thousands of U.S. Dollars)
2012.3	2011.3	2010.3	2009.3	2014.3
¥105,061	¥102,053	¥106,137	¥107,609	\$1,427,709
47,948	48,569	48,067	45,781	566,389
57,113	53,484	58,070	61,828	861,320
5,363	5,221	5,288	2,569	124,961
2,607	7,569	4,061	(649)	74,408
2,206	4,764	—	—	188,835
1,971	1,841	1,882	2,008	19,184
1,354	1,665	6,564	2,733	18,126
2,204	2,254	2,365	2,600	21,718
1,338	2,914	5,425	2,313	19,485
¥107,213	¥104,817	¥111,099	¥100,823	\$1,497,718
67,915	67,161	64,056	59,810	907,776
¥ 9,685	¥ 9,157	¥ 6,701	¥ 8,431	\$ 90,233
(3,952)	(2,630)	(6,308)	(14,185)	(25,777)
(4,179)	(5,672)	(3,143)	(782)	(37,116)
9,718	8,224	7,840	9,389	202,942
(Yen)				(U.S. Dollars)
¥ 27.86	¥ 80.89	¥ 43.40	¥ (6.94)	\$ 0.80
—	—	—	—	0.80
674.78	671.24	636.25	591.87	8.86
12.00	12.00	10.00	10.00	0.21
58.9%	59.9%	53.6%	54.9%	—
4.1%	12.4%	7.1%	(1.1)%	—
(Millions of Yen)				(Thousands of U.S. Dollars)
¥ 34,391	¥ 35,525	¥ 37,221	¥ 41,129	\$ 395,068
63,605	65,188	62,235	70,954	1,001,835

5. During the fiscal year ended March 31, 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 fiscal year. Net assets per share amounts are computed based on the number of shares outstanding at each fiscal year-end.

7. Diluted net income per share is not recorded for the fiscal years ended March 31, 2009, 2010, 2011, 2012 and 2013 because there were no dilutive shares during those fiscal years.



To Our Shareholders

Net Sales, Operating Income and Ordinary Income All Set New Records

Business Environment

The elevator and escalator industry in the fiscal year ended March 31, 2014 (fiscal 2013) experienced continued expansion in demand, mainly for units for use in residential buildings in China. Demand was also firm in other parts of Asia, as well as in North America. In Japan, there was an added impact from a surge in demand ahead of the consumption tax hike; as well as growth in demand for use in apartment blocks, in addition to modernization projects involving elevator renewals. Overall demand was also strong, including an increase in construction starts for office buildings and department stores.

Under these conditions, we recorded steady sales for our mainstay products in the Japanese market for new installations and modernization projects. Orders received in Japan increased 14.7% year on year to ¥61,056 million. In overseas markets, there was a significant contribution from increases in new installations in North America, South Asia, and East Asia, with orders received overseas climbing 40.2% year on year to ¥104,733 million. Total orders received were up 29.6% year on year to ¥165,789 million.

Evaluation of Fiscal 2013

In fiscal 2013, the first year of the Mid-Term Management Plan “Grow Together! Yes, Fujitec Can,” consolidated net sales, operating income, and ordinary income all surpassed our initial targets to set new record highs. Net sales increased 25.2% year on year to ¥147,054 million. Of these, domestic net sales were up 17.1% to ¥58,338 million, while overseas sales increased 31.1% to ¥88,716 million. Net sales in Japan hit a new record for the first time in 10 years, while net sales in East Asia surpassed Japan for the first time, becoming the largest segment within the Fujitec Group.



Takakazu Uchiyama

President and
Chief Executive Officer

Business Performance in Fiscal 2013

(¥ millions)

	2013.3	2014.3	YoY (%)
Net sales	117,468	147,054	25.2
Japan	49,805	58,338	17.1
Overseas	67,663	88,716	31.1
Operating income	9,172	12,871	40.3
Net income	5,507	7,664	39.1

Outlook for Fiscal 2014

In our outlook for the elevator and escalator market in fiscal 2014, we are projecting growth in demand in inland China and steady demand in other parts of Asia. In the outlook for Japan, demand is expected to continue to be steady in the new installation market, but to decline in the modernization market, falling back from a surge that preceded the consumption tax rate hike in the previous fiscal year.

As a result of the above factors, we are projecting net sales of ¥160,000 million, up 8.8% year on year, and operating income of ¥13,000 million, up 1.0% year on year.

Mid-Term Management Plan “Grow Together! Yes, Fujitec Can” Upward Revision of Final-Year Targets

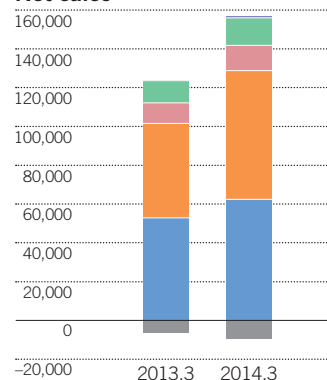
New Targets Aim to Achieve Goals One Year Early

In fiscal 2013, business expanded quicker than anticipated in Japan and East Asia and the yen declined further than we had envisaged. As a result, our consolidated net sales and operating income exceeded the first-year targets of our Mid-Term Management Plan. Net sales were ¥147,000 million against a target of ¥137,000 million, and operating income was ¥12,800 million against a target of ¥9,600 million.

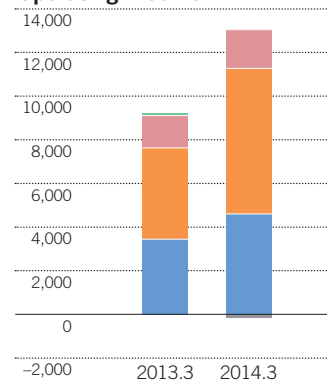
Onward from fiscal 2014, we are projecting continuing business expansion in East Asia, mainly China, along with steady performance in Japan. Considering these factors in conjunction with the changes in the foreign exchange rate, we have revised our final-year target for net sales upward from ¥160,000 million to ¥175,000 million, and revised the targeted operating margin from 8% to 8.6%.

Performance by Segment (¥ millions)

Net sales



Operating income



Legend:
■ Japan ■ East Asia ■ South Asia
■ North America ■ Europe
■ Reconciliations

Fiscal Year Ending March 31, 2016

Initial Targets

	(¥ millions)		
	Net sales	Operating income	Operating margin (%)
Japan	58,000	4,500	7.8
East Asia	80,000	6,000	7.5
North America	17,000	500	2.9
South Asia	16,000	2,000	12.5
Europe	800	0	0.0
Total	171,800	13,000	7.6
Reconciliations	(11,800)	(200)	—
Consolidated	160,000	12,800	8.0



Fiscal Year Ending March 31, 2016

Revised Targets

	(¥ millions)		
	Net sales	Operating income	Operating margin (%)
Japan	65,000	5,000	7.7
East Asia	88,000	8,200	9.3
North America	16,000	100	0.6
South Asia	17,000	2,000	11.8
Europe	900	0	0.0
Total	186,900	15,300	8.2
Reconciliations	(11,900)	(300)	—
Consolidated	175,000	15,000	8.6

To Our Shareholders

Progress in the Mid-Term Management Plan

At Huasheng Fujitec Elevator Co., Ltd. in China, we have strengthened our production capacity by completing a research tower and expanding our elevator production space. We are also making efforts at Fujitec Shanghai Sourcing Center Co., Ltd, to bolster cost competitiveness by concentrating production of the main elevator component devices there. We have also expanded our escalator production capacity at Shanghai Huasheng Fujitec Escalator Co., Ltd. China is currently the world's largest source of demand for elevators and escalators, and I believe that strengthening our Chinese production framework will enable us to achieve a dominant position there and in East Asia.

At the same time, we are also seeing the emergence of the modernization business, mainly in mature markets. Here too, we are taking steps to increase our global market presence, for example with the establishment of the Global Modernization Business Promotion Center.

Contributing to Safety through Technology and Human Resources

We recognize that nurturing employees capable of conducting business in global settings is a vital foundation for our growth as a company. That's why we have included strengthening global human resources development as part of our Mid-Term Management Plan. We are conducting a wide range of training programs as part of this initiative.

Also, since technology is the cornerstone of our business, we bring together the managers of our overseas bases to give them training in installation and maintenance.

Basic Policy on Profit Distribution and Dividends

With regard to profit distribution, our basic policy for paying dividends is to treat enhancement of the return of profit to our shareholders as our top management priority, while at the same time we balance the need to retain internal reserves to ensure the long-term stability of the Company's foundation.

We allocate internal reserves effectively for activities that raise our corporate value, for example making capital investments in growth fields, funding investments and financing for our global business expansion, and investing in R&D. We will also look at using our reserves to conduct share repurchases as a way of returning profits to shareholders. With regard to dividends, the annual dividend in the fiscal year ended March 31, 2014 was ¥22 per share, up ¥6 from the previous fiscal year.

Through further globalization of our business, we aim to improve on our results again in the fiscal year ending March 31, 2015. I hope you will continue to give us even more support going forward.

June 24, 2014



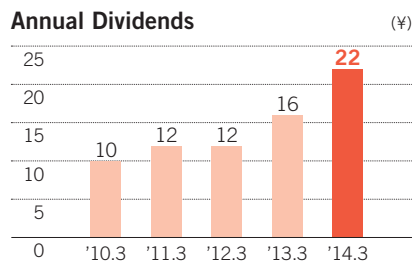
Takakazu Uchiyama
President and Chief Executive Officer



Chinese development and production site, Shanghai Fujitec Base



Global human resources training



Mid-Term Management Plan

Grow Together!

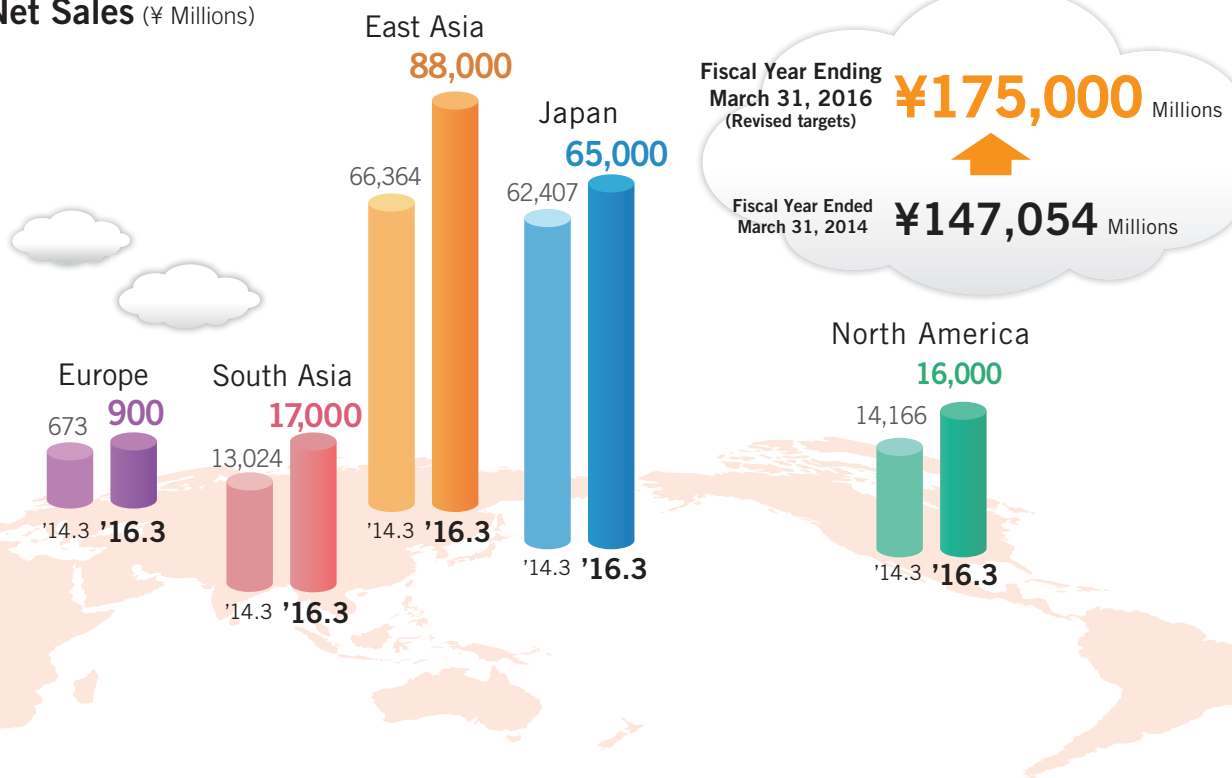
Yes, Fujitec Can

(FY2013–FY2015)

Key Objectives

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

Net Sales (¥ Millions)



Feature 1: Building a Global Supply Chain

Initiatives in Fiscal 2013 and Future Direction

During fiscal 2013, Fujitec focused on strengthening its production and sales frameworks in Asia, including Japan, China, and India, in order to capture the ongoing growth in demand for escalators and elevators there.

On the production front, we bolstered our production and development capabilities, and are proceeding to build a global product supply framework, with a focus on East Asia, particularly China. As part of this initiative, we completed “Xiangyun Research Tower,” a new elevator research tower, at Huasheng Fujitec Elevator Co., Ltd. (further information on page 13).

In sales, we currently have production and sales bases in Beijing and Shanghai, but we will now widen our focus to other main urban cities such as Hangzhou, Chongqing, and Chengdu. We have already established a network of sales agents throughout China, and we will

work to develop new agents especially in inland China, where demand is forecast to grow.

In India, meanwhile, we will focus on supplying products that meet customers’ needs and expanding our sales network, as well as exports to countries in South Asia.

In addition, in Singapore and Hong Kong, where many of our previously delivered products are approaching their time for renewal, we will focus on modernization initiatives. We will enhance our product lineup and take other steps to strengthen our presence throughout all of Asia.

We are determined to manufacture high performance, high quality products, while expanding our share in the global market even further.

China: Strengthening Production, Development and Sales Functions

Production and Development

Huasheng Fujitec Elevator Co., Ltd.



- 1 Research tower (151 m) completed
- 2 Production space expanded



Strengthened research, development and production functions

Production

Fujitec Shanghai Sourcing Center Co., Ltd.



Consolidate production for main component devices to strengthen cost competitiveness

Sales

- 1 Expanded sales agent network
- 2 Expanded product lineup

Established new logistics base in the southwest area



Reforming the Global Supply Chain

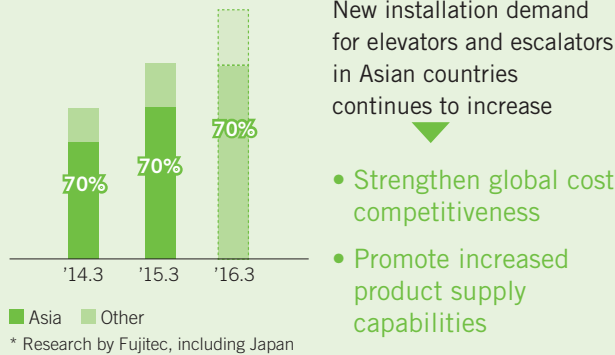
In line with the basic policy of our Mid-Term Management Plan “Grow Together! Yes, Fujitec Can,” we are working to enhance our ability to supply products and be cost competitive as a full-line producer in the global market. In addition, we are accelerating our production reorganization in the Asia region, including Japan, to revamp our global supply chain centered on China.

Global Demand Led by Asia

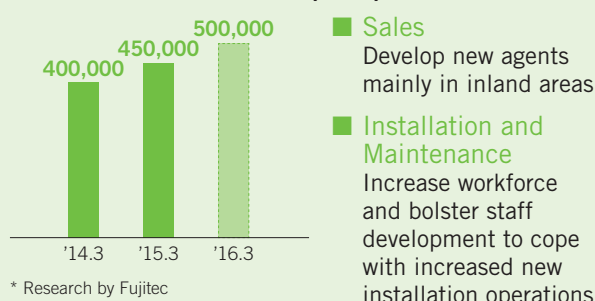
Looking at the demand trend in China, we can see that it represents 50% of global demand for new installations of escalators and elevators and 70% of the demand in Asia. We are projecting that the number of new installations in the fiscal year ending March 31, 2016 will be up 25% from the fiscal year ended March 31, 2014, reaching 500,000 units.

Fujitec will work to strengthen its global cost competitiveness and product supply capabilities by focusing on the production, development, and sales aspects of its operations in China, where it is engaged in full-line services including development, production, sales, and maintenance.

Asia's Projected Share of Global Elevator and Escalator Demand



Projected Demand for New Installation Units in the Chinese Market (Units)



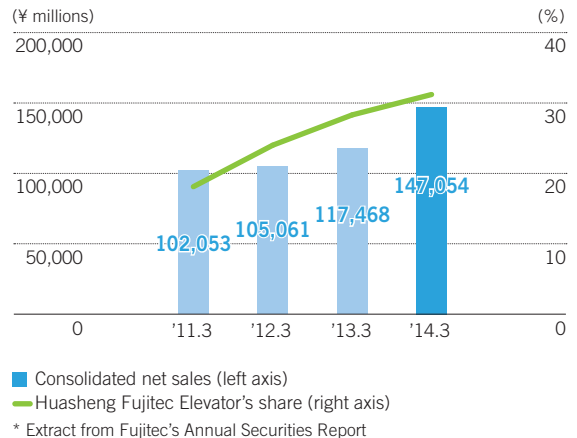
Completion of “Xiangyun Research Tower,” a New Elevator Research Tower at Huasheng Fujitec Elevator

In March 2014, the Fujitec Group completed construction of “Xiangyun Research Tower,” a new elevator research tower at Huasheng Fujitec Elevator, the Group’s Chinese base situated in the Beijing suburb of Langfang. At 151 meters, the research tower is a new R&D landmark in China and one of the tallest of its kind in the country. As demand in China shifts to taller buildings and larger scales, we will respond by expanding mass produced models. On the development front, we will make use of the research tower to study fundamental changes in elevator technologies, as well as focus on development of products to meet the various needs inside China and in other areas.



The completed elevator research tower, Xiangyun Research Tower

Huasheng Fujitec Elevator's Share of Consolidated Net Sales between Fiscal 2010 and Fiscal 2013



Feature 2: The Modernization Business

What is modernization?

Modernization refers to operations to renew existing escalator and elevator facilities. These facilities have service life of several years, and since they use a large number of electronic components, they gradually deteriorate with long years of use. Continuing to use them without renewal increases the risk of failure, making modernization a vital operation.

Continued Strong Domestic Renewal Demand

In Japan, the time for renewal is approaching for many elevators and escalators that were installed during the 1990s, a phenomenon that is supporting firm demand in the modernization business. In addition to this trend, in the fiscal year ended March 2014, Fujitec's net sales grew atop steady growth in orders for safety enhancement packages, which are eligible for government subsidies, and a surge in demand ahead of the consumption tax rate hike.

Global Modernization

Fujitec is promoting the global development of its modernization business. Singapore and Hong Kong are mature markets for elevators and escalators, similar to Japan. We are focusing on the modernization business in these countries too, as elevators and escalators delivered there in the past are also approaching the time for renewal.

We will tackle the different needs for modernization services in each country and area where we are expanding our operations, and develop a more cost competitive product line-up.

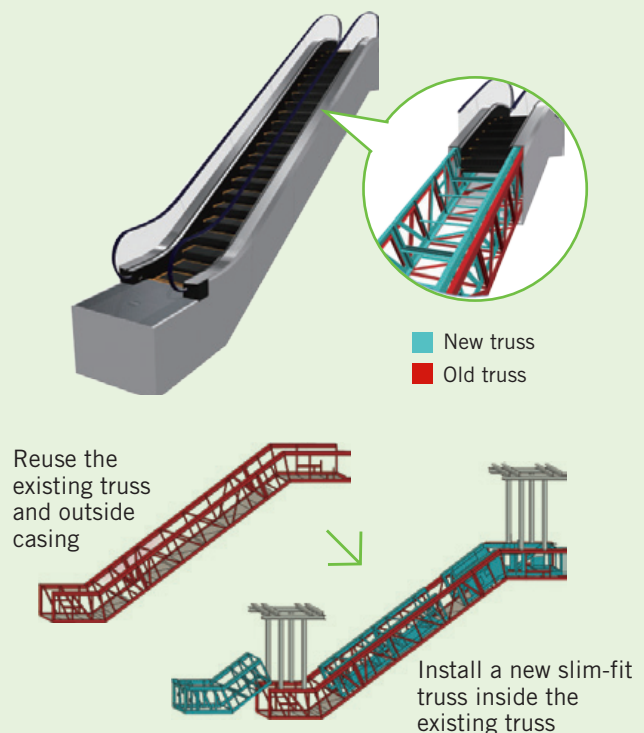
Fit-In Truss Construction Method

Modernization can mean renewing just a part of the unit or replacing all of it. When replacing the whole unit, it is possible to install the latest equipment, however this approach has issues in that it requires a long construction time and entails high costs.

The Fit-In Truss Construction Method is one of our escalator renewal offerings. It is a proprietary method developed by Fujitec that leaves intact the building ceiling and walls surrounding the escalator and the escalator casing; it involves only minimal construction work on a small section of the floor near the bottom of the escalator.

Conventionally, replacing the truss section, which houses the frame of the escalator, required large scale construction work to be undertaken on the ceiling, and required removal of the existing truss. By using special tools, the construction work on the ceiling can be minimized, and the installation of an escalator with a slim-fit truss inside the existing truss eliminates the need to remove the existing truss.

Compared to a conventional full modernization, the new method reduces construction time by 15 days, and shaves 20–25% from the cost. This is an innovative method that reduces the burden on customers while modernizing the escalator to one of the latest models.



Example of Modernization using the Fit-In Truss Construction Method West Japan Railway Company Kanazawa Station

Before



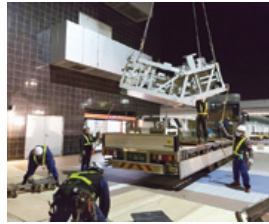
The escalators inside JR Kanazawa Station were renewed using the Fit-In Truss Construction Method. The procedure was a good example for introducing the method.

→ 1 Removal



The handrail, steps, and other parts were removed, leaving only the existing truss. The construction in this case was carried out on a tight schedule, using the time between the last train of the day and the first train the following morning.

→ 2 Delivery of the truss



Since the working environment in this case included a low ceiling, a special new truss made up of seven sections was brought in. The Fit-In Truss Construction Method is uniquely capable of handling this kind of situation.

→ 3 Hoisting



After the sections were brought in, the truss was hoisted using a special-purpose gate-shaped jig. Special attention was paid to ensuring safety as the operation proceeded.

4 Fitting



After being hoisted, the truss sections were joined and fitted into the existing truss. Then the new truss was adjusted to the incline and various other installation conditions that vary for each escalator.

→ 5 Truss installation completed



After the joining was finished, the truss installation was completed. Next the cabling was laid out and the step chain installed.

→ 6 Installation of steps



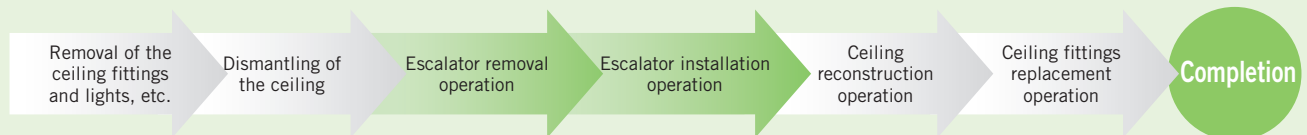
The step chain was circulated and the steps were fastened one by one from the bottom of the escalator.

After



Not only is the appearance of the escalator improved with a sophisticated design, but a new system has also been installed to ensure that the system is safe and reliable for users.

Conventional Modernization



Fit-In Truss Construction Method



Total Construction Time Impact

15-day reduction

Construction Cost Impact

20–25% reduction

Review of Operations

In the 1960's, Fujitec advanced into the Hong Kong market ahead of its Japanese competitors. Since then, Fujitec has been expanding its business operations in 23 countries and regions spanning the Americas, Europe, East Asia, South Asia, and the Middle East. The Fujitec Group companies in countries throughout the world maintain close links, responding swiftly to market needs and conducting detailed business activities that are anchored in local communities.

Segment Information

Japan

Fiscal Year Ended March 31, 2014

Net sales **¥62,407** million
(Up 18.0% YoY)

Operating income **¥4,605** million
(Up ¥1,158 million YoY)

Number of affiliates: 4
Employees: 2,714
Business area: Inside Japan

East Asia

Fiscal Year Ended March 31, 2014

Net sales **¥66,364** million
(Up 36.3% YoY)

Operating income **¥6,670** million
(Up ¥2,491 million YoY)

Number of affiliates: 8
Number of consolidated subsidiaries in affiliates: 7
Employees: 4,010
Business area: 2 countries, 2 regions

South Asia

Fiscal Year Ended March 31, 2014

Net sales **¥13,024** million
(Up 23.0% YoY)

Operating income **¥1,779** million
(Up ¥293 million YoY)

Number of affiliates: 9
Number of consolidated subsidiaries in affiliates: 7
Employees: 1,157
Business area: 7 countries

North and South America

Fiscal Year Ended March 31, 2014

Net sales* **¥14,166** million
(Up 23.9% YoY)

Operating loss* **¥26** million
(Last year an operating income of ¥119 million)
* Figures for North America only

Number of affiliates: 7
Number of consolidated subsidiaries in affiliates: 2
Employees*: 629
Business area: 5 countries, 1 region

Europe & Middle East

Fiscal Year Ended March 31, 2014

Net sales* **¥673** million
(Up 72.8% YoY)

Operating income* **¥5** million
(Last year an operating loss of ¥12 million)
* Figures for Europe only

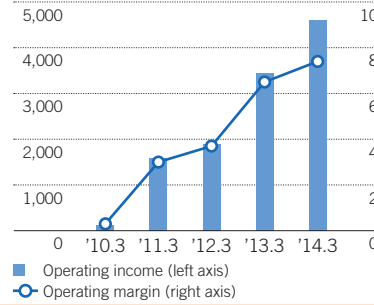
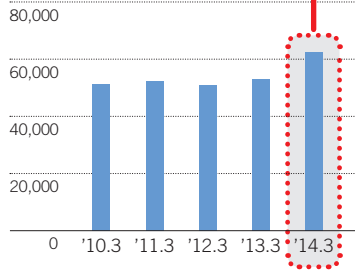
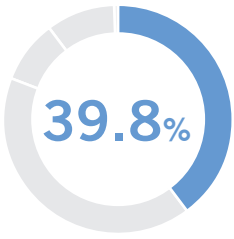
Number of affiliates: 4
Number of consolidated subsidiaries in affiliates: 2
Employees*: 29
Business area: 5 countries

* Figures for net sales, operating income, and employees are for consolidated companies only

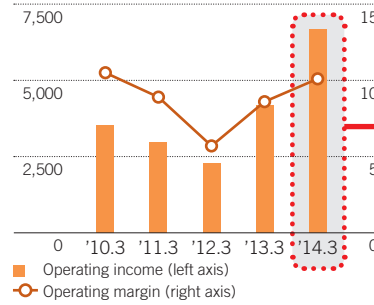
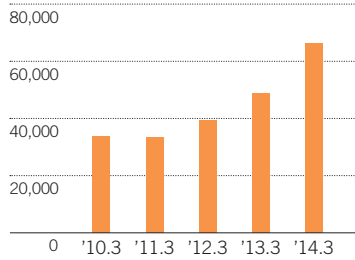
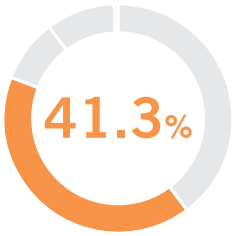
Net Sales Composition Ratio (%)

Net Sales (¥ millions)

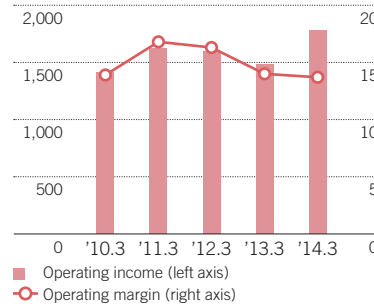
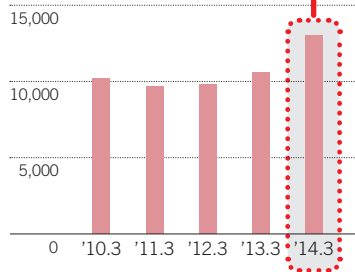
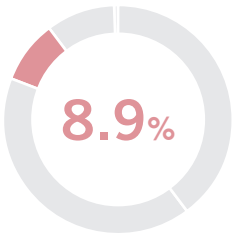
Operating Income (¥ millions)/Operating Margin (%)



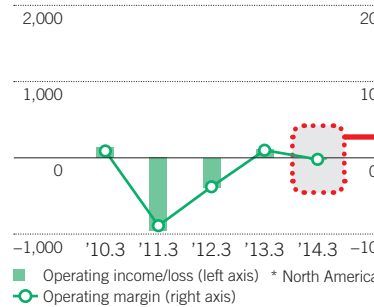
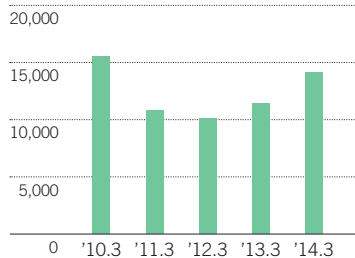
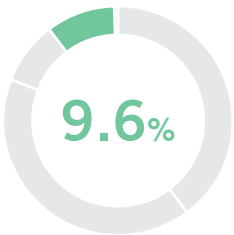
Significant increase in net sales atop higher orders received in both new installation and modernization businesses



Significant increase in earnings due to mass-production scale effects and stabilized materials costs



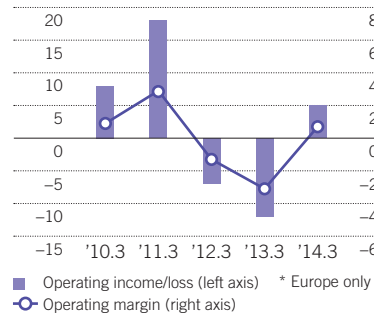
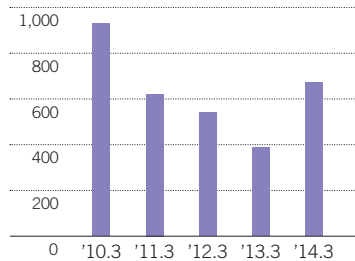
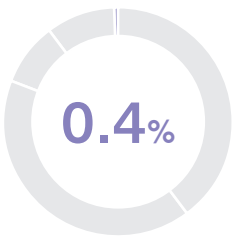
Increase in net sales driven by steady business expansion in new installations in ASEAN countries such as Indonesia and Malaysia



Deterioration in profitability due to rising installation costs, although orders received for new installation increased steadily

* North America only

* North America only



* Europe only

* Europe only

Review of Operations

Japan

In the new installation business, the Company will increase its profitability by reducing costs, while aiming to increase its market share. In the after-sales service market, the Company will continue to aggressively promote its modernization business by strengthening its product capabilities and enhancing its product lineup.



Market Environment

Japan is experiencing continued economic strengthening, with a recovery in consumer spending and corporate performance against a backdrop of increasing public capital spending, higher stock prices, and a weaker yen. In the elevator and escalator industry, there was an added impact from a surge in demand ahead of the consumption tax hike, as well as growth in demand for use in multi-unit dwellings in addition to modernization projects involving elevator renewals. Along with an increase in construction starts for office and retail buildings and shops, among other factors, the industry experienced strong demand overall. Moreover, demand for elevators and escalators is set to expand even further, driven by an increase in construction demand ahead of the 2020 Olympics, which will be held in Tokyo.

Initiatives in the Fiscal Year Ended March 31, 2014

New Installation Business

In Japan, Fujitec received higher orders for new installations, driven by growth in construction demand mainly around the Tokyo metropolitan area. We supplied 20 elevators and escalators for the “Muromachi Furukawa Mitsui Building,” a multi-purpose building that was recently completed in Tokyo’s Nihonbashi district. An order for 50 elevators and escalators was also received for the tentatively-named Ginza 5-Chome Project, a large-scale retail building in the Ginza district of Tokyo. In the Kinki region, we delivered 45 elevators and escalators for the now-completed “KUZUHA MALL,” a large retail facility. In terms of the product, we launched

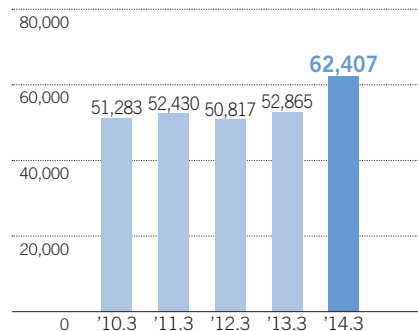
the XIOR S packages, designed to meet the needs of facilities for elderly people. We also strengthened our product lineup to cater to social needs, including actively proposing LED car lights, which effectively reduce electricity costs related to elevator lighting.

Modernization Business

Sales in the modernization business grew, especially for control panel replacement packages, among other products. Sales were supported by the steady growth in orders for the safety enhancement packages, which are subsidized by the government and apply to devices to prevent movement when doors are open, devices with P-wave sensors to control operation during earthquakes, and apparatus as to enhance the earthquake resistance of key devices. Sales also benefitted from a surge in demand ahead of the consumption tax hike. We carried out an escalator modernization project using the “Fit In Truss Construction Method” at JR Kanazawa Station. The new method reduced construction time by 15 days compared to the conventional method of removal and new installation, as well as reduced installation costs. We also made efforts

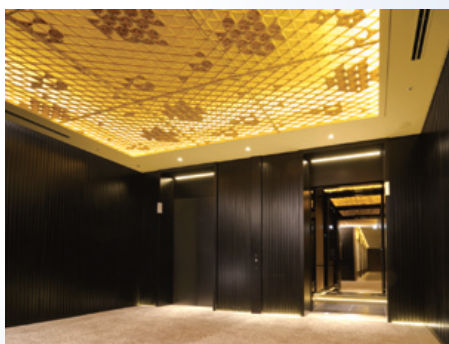
Net Sales

(¥ millions)





ARK Hills South Tower (Tokyo)



The Ritz-Carlton Kyoto (Kyoto)



Muromachi Furukawa Mitsui Building (Tokyo)

to increase our product capabilities in the modernization business. In July 2013, we expanded sales of safety enhancement packages by introducing packages for hydraulic elevators in addition to those for conventional rope-type elevators.

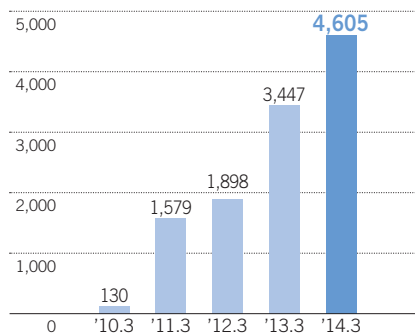
Outlook and Initiatives for the Next Fiscal Year

Japan's elevator market is expected to see continued steady demand for new installations. Demand in the modernization market is expected to decline, however, falling back after the surge that preceded the tax hike in the fiscal year under review. There are also concerns of construction delays due to labor shortages of contractor staffing in the construction industry.

Fujitec is planning to increase both sales and income for the fiscal year ending March 31, 2015.

Operating Income

(¥ millions)



Main Projects Completed in the Fiscal Year Ended March 31, 2014

Location	Customer	Overview
Tokyo	ARK Hills South Tower	High-rise office building 28 elevators and escalators
Tokyo	Muromachi Furukawa Mitsui Building	Multi-purpose building 20 elevators and escalators
Kyoto	The Ritz-Carlton Kyoto	Luxury hotel 10 elevators
Hirakata, Osaka Prefecture	KUZUHA MALL	Large-scale multi-purpose retail facility 45 elevators and escalators

Order Backlogs

(¥ millions)

'13.3	'14.3	YoY change
37,896	40,692	7.4%

Major Orders Received in the Fiscal Year Ended March 31, 2014

Location	Customer	Overview
Tokyo	Ginza 5-Chome Project (tentative name)	Large-scale retail facility 50 elevators and escalators
Ibaraki, Osaka Prefecture	Ritsumeikan University Osaka-Ibaraki Campus	New campus buildings 11 elevators and escalators
Kitakyushu, Fukuoka Prefecture	AEON Town Kurosaki	Large retail facility 19 elevators and escalators

Review of Operations

East Asia



Fujitec will continue to position China as its most important market in East Asia, and to invest management resources there. We will increase our share of the Chinese market and establish a supply chain to deliver products from China to the rest of the world. In the mature markets of Hong Kong, Taiwan and Korea, we will focus on the modernization business.

- : Production sites
- : Group companies
- ★ : Research centers

Market Environment

China experienced a gradual decline in the pace of its economic growth, while Korea and Taiwan showed signs of picking up. In China's elevator and escalator industry, demand continued to expand, mainly for residential apartments. Worldwide, market demand was led by East Asia, which accounts for more than half of global demand. However, since competitor companies have also set East Asia as their most important market, price competition is becoming more intense. In the mature market of Hong Kong, modernization demand is firm, with previously delivered products becoming due for renewal.

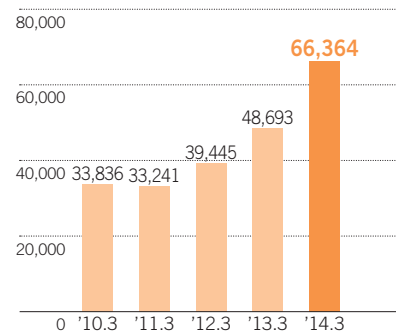
Initiatives for the Fiscal Year Ended March 31, 2014

Demand for new installations expanded in East Asia, particularly in China, which accounts for approximately half of the global demand for new installation of escalators and elevators. In the Chinese province of Henan, Fujitec received orders for 138 elevators for a large-scale residential apartment project, while in Shanghai, it received an order for 32 elevators for a multipurpose retail facility called "Kerry Everbright City." In Taiwan, we received and completed a series of orders for elevators and escalators for a government office and multipurpose facilities. In Korea, we delivered 29 elevators and escalators for the extension of the multi-purpose retail facility, "Lotte Premium Outlet Gimhae." As a result of these initiatives, net sales and operating income for East Asia increased* year on year, surpassing net sales for Japan for the first time to become the largest regional sales segment.

* Excluding the impact of currency exchange fluctuations, net sales increased 10.4% in real terms.

Net Sales

(¥ millions)





Lotte Premium Outlet Gimhae (Korea)



Outlook and Initiatives for the Next Fiscal Year

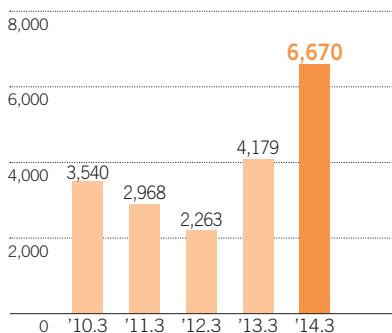
East Asia is forecast to continue enjoying strong economic growth, especially in China. In the escalator and elevator market, demand from inland China is set to continue expanding, while also remaining firm in other Asian regions. In the fiscal year ending March 31, 2015, we will continue to position China as our most important market, and invest management resources there. We will make expanding our Chinese market share a top priority, while also aiming to establish a global supply chain to provide products from China to countries around the world. Moreover, in the mature markets of Hong Kong, Taiwan, and Korea, we will actively promote our modernization business. We plan to achieve higher net sales year on year; however in view of increasing competition, we expect operating income to be approximately the same as in the previous year.



Kerry Everbright City (China)

Operating Income

(¥ millions)



Main Projects Completed in the Fiscal Year Ended March 31, 2014

Location	Customer	Overview
Taipei, Taiwan	Fubon ShinYi A10	Multi-purpose building 34 elevators and escalators
Gimhae, Korea	Lotte Premium Outlet Gimhae	Multi-purpose retail facility 29 elevators and escalators

Major Orders Received in the Fiscal Year Ended March 31, 2014

Location	Customer	Overview
Taipei, Taiwan	MUNICIPAL CORE	Government offices 17 elevators
Henan Province, China	JIN XIU SHAN HE	Large-scale residential building project 138 elevators
Shanghai, China	Kerry Everbright City	Multi-purpose facility 32 elevators

Review of Operations

South Asia

In South Asia, economic growth is continuing. In the mature market of Singapore, we will focus on our modernization business. In India, we will expand our production capacity and bolster our supply capability to meet local market demand, thereby increasing our presence there.



- : Production sites
- : Group companies
- ★ : Research centers

Initiatives in the Fiscal Year Ended March 31, 2014

Economic growth in South Asia continued and we received and completed a succession of orders in each country. There is a high level of latent demand in India, and we received a total of 47 orders for elevators and escalators for residential apartments, as well as a multi-purpose retail facility in Bangalore called “RMZ Galleria.” There was also an increase in orders for office buildings that supported a steady rise in sales. In Singapore, on the other hand, we received an order for 36 elevators and escalators for the new office building of major media company, MediaCorp Pte Ltd. In Indonesia, Malaysia, and other countries of the ASEAN region, the new installation business expanded steadily. As a result, net sales and operating income for South Asia both increased* year on year.

* Excluding the impact of currency exchange fluctuations, net sales increased 1.0% on a real basis, while operating income declined 1.7%.

Outlook and Initiatives for the Next Fiscal Year

The South Asian market is projected to see continued gradual economic expansion overall, and we plan to increase our net sales over the level of the previous year. In India, we have won strong support in the local market for our standard elevator, KYUTO, as well as a new model, ERITO, which we launched in November 2013, and we will continue to promote sales of these two models. We will also continue to build a business structure in India to cope with the increase in local orders. At the same time, we will establish new sales bases and agencies to strengthen our sales capabilities. Moreover, we will also undertake exports to Indonesia, Malaysia, Thailand, and other countries in South Asia.

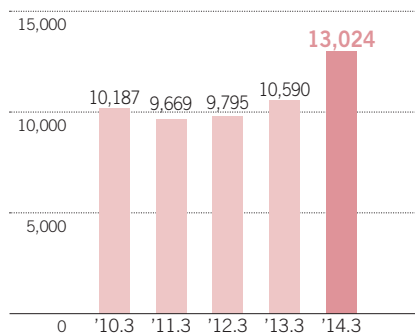


MediaCorp (Singapore)

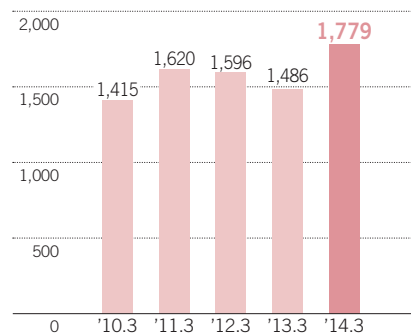


RMZ Galleria (India)

Net Sales (¥ millions)



Operating Income (¥ millions)



Review of Operations



North & South America

Fujitec will strengthen its product capabilities in the modernization business, which has high growth potential, and pursue cost reductions and a more streamlined operation.



- : Production sites
- : Group companies
- ★ : Research centers

Initiatives in the Fiscal Year Ended March 31, 2014

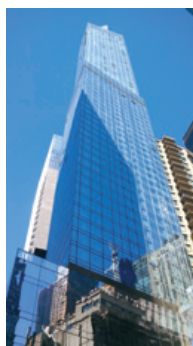
The economy in North America continues to recover gradually, with growth in consumer spending and improvement in employment conditions. Amid firm demand for new installations, Fujitec captured orders, primarily in the U.S.A. We delivered 12 elevators, including high-speed models, for the multi-purpose building 1717 Broadway that was completed in New York, U.S.A. Also in New York, we received an order for 12 elevators for the multi-purpose building 605 West 42nd Street. Meanwhile, in South America, in Argentina, we delivered 21 elevators and escalators for the new terminal extension at Aeroparque Jorge Newbery.

As a result of these activities, net sales in North and South America increased* year on year, while an operating loss was recorded.

* Excluding the impact of currency exchange fluctuations, net sales increased 2.8% in real terms.
(Note) Ratio of consolidated net sales and operating income is for North America only

Outlook and Initiatives for the Next Fiscal Year

In North America, we will focus on expanding the new installation business and the aftermarket business in response to the projected recovery trend following solid consumer spending and domestic demand. We plan to increase net sales, however, on the operating income front we expect to break even.



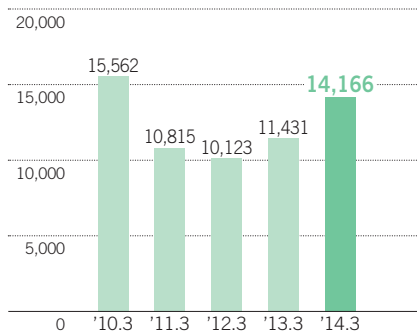
1717 Broadway (U.S.A.)



605 West 42nd Street (U.S.A.)

Net Sales

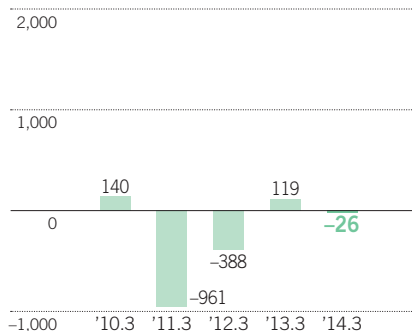
(¥ millions)



* North America only

Operating Income (Loss)

(¥ millions)



* North America only

Review of Operations

Europe & Middle East

Fujitec will strengthen its product capabilities in the modernization business, which has high growth potential, and pursue cost reductions and a more streamlined operation.



■ : Group companies, offices

Initiatives in the Fiscal Year Ended March 31, 2014

The European economy continued to recover gradually, led by Germany and the U.K. Meanwhile, orders were steady in the Middle East. In Mecca, Saudi Arabia, we delivered 111 elevators and escalators for the “Hedaya Hotel Tower.” Also in Saudi Arabia, in Medina we delivered 43 elevators and escalators for the “Al Kuibra Complex,” a multi-purpose retail facility. In the Lebanese capital, Beirut, we received an order for 6 elevators for the “National Library.” As a result of these activities, net sales in Europe & Middle East increased* dramatically year on year, and the segment also returned to profitability.

* Excluding the impact of currency exchange fluctuations, net sales increased 40.4% in real terms.

(Note) Ratio of consolidated net sales and operating income is for Europe only

Outlook and Initiatives for the Next Fiscal Year

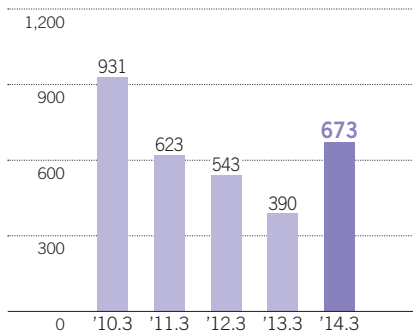
The European economy continues to lack vigor. We plan to increase net sales, however, on the operating income front we expect to break even.



Al Kuibra Complex (Saudi Arabia)

Net Sales

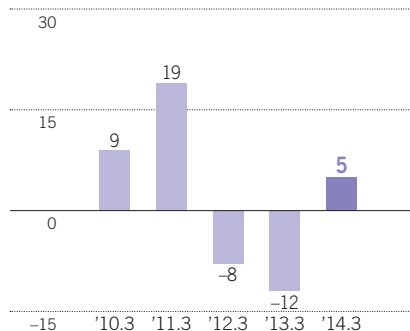
(¥ millions)



* Europe only

Operating Income (Loss)

(¥ millions)



* Europe only

CSR (Corporate Social Responsibility)

Keeping People Safe

Fujitec provides indoor transportation systems, such as elevators and escalators, which are essential to modern life. All over the world, buildings are expected to continue growing taller, especially in major urban centers, and elevators and escalators enable these buildings to be used comfortably. In that sense, they can be considered as parts of our social infrastructure, on a par with trains and roads.

■ Maintenance Operations

Elevators have become an integral part of everyday life, and most people use them without paying much attention to them. After installation, they require proper management, maintenance inspections, and regular testing to continue operating safely and comfortably at all times. Generally, elevators require a maintenance inspection by a specialist about once a month. Fujitec offers a fully integrated system of in-house development, production, and after sales services, thereby contributing to the development of safe social infrastructure. We also run various training programs to develop highly skilled employees, and strive to provide stable, high-quality services.



Elevator maintenance operations

■ Safety Enhancement Packages

Recently, disasters and other events have increased general awareness of the need to improve elevator safety and to prepare disaster countermeasures. Since elevators form an integral part of people's daily lives, they must be safe if an unexpected event occurs. Fujitec provides safety enhancement packages as safety countermeasures for existing elevators.

Safety enhancement packages add functions to prevent elevators from moving when their doors are open, and to

prevent people from being trapped inside during an earthquake or power outage, as well as seismic reinforcement. Bringing these enhancements into a single package, the product enables elevator owners to comply with legal safety standards at minimal cost and effort. Fujitec will continue to provide elevators that are safe and reliable, even when the unexpected happens, along with products that will help consumers to live comfortable lives now and in the future.

Keeping Passengers Safe in Emergencies



Open Door Motion Prevention Device
Prevent Motion When the Doors Are Open

If the brakes malfunction or some other problem causes the elevator car to begin moving while the door is still open, the safety device will activate, automatically applying a secondary brake and arresting the car. Adding a second set of brakes in this way can prevent accidents due to the car moving when the door is open.



P-Wave Sensor-Equipped Earthquake Control Operation
Preventing People from Being Trapped inside the Elevator During an Earthquake or Power Outage

The system senses an earthquake before the main tremor hits, and quickly stops at the nearest floor to prevent passengers from being trapped inside. The system also operates during power outages, by means of a battery, to bring the elevator to the nearest floor, facilitating a swift, smooth evacuation.



Seismic Reinforcement
Improving Safety During Earthquakes

Seismically reinforcing the drive and control gear can prevent problems that occur during earthquakes, such as rope displacement or entanglement, or derailment. Fujitec conducts a diagnosis of existing elevators' seismic resistance performance and then provides optimum modifications to prepare the elevator for earthquakes.

Social Contribution Activities

Fujitec aims to realize a better society. We undertake social contribution activities such as safety awareness-raising initiatives for users of elevators and escalators, and environmental beautification efforts.



■ Safety Notebooks

We have issued and distributed safety notebooks that explain the mechanisms of elevators and escalators, and how to ride them correctly, entitled “Ride Them Properly! Elevators and Escalators.”



■ Safety Awareness-Raising Activities

We distribute safety notebooks at elementary schools and local community events with an eye to preventing elevator- and escalator-related accidents by strengthening safety measures for our products and raising awareness among passengers of the correct way to ride. We have also been holding safety awareness-raising events throughout China.

■ Mascot TECKY

The Fujitec mascot is named TECKY, from the “tec” in “Fujitec” and wears an abstract letter “A” on his back which stands for the Japanese words *Anzen* (“safety”) and *Anshin* (“reliability”). TECKY introduces the mechanisms of elevators and escalators, and the correct way to ride them, to people all over the world. He is also involved in activities to promote safety and reliability.



Cutting Reeds at Lake Biwa



Fujitec regularly holds reed-cutting activities at Lake Biwa. Reeds help to purify the lake by absorbing phosphor and nitrates, among other ways, and cutting the reeds back helps to prevent Lake Biwa from becoming overly rich in nutrients.

Safety Classes



In July and October 2013, we held elevator and escalator safety classes for elementary school children in Tokyo. Children learned about the mechanisms of elevators and escalators, and how to ride them safely, through video.

Shikoku Branch Award for Cleanup Activities

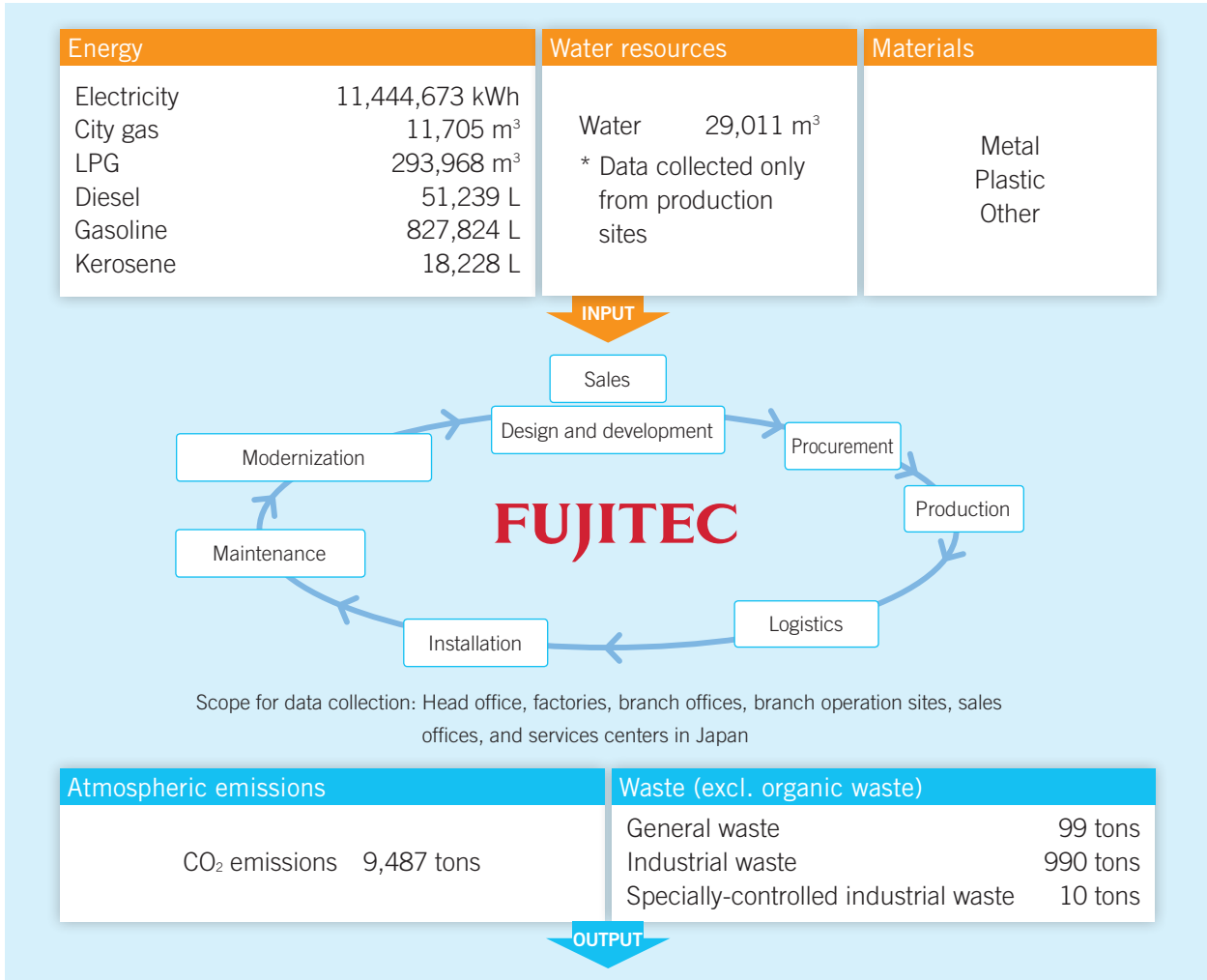


The *Fuhoutouki Bokumetsu Fureai Kuri-n Sakusen* (“Clean Strategy of the Society to Eradicate Illegal Dumping”) is a clean-up activity run by Takamatsu City and led by local residents. The Fujitec Shikoku branch participates actively in the clean-up activities that are held around Takamatsu City throughout the year, and received a certificate of appreciation from the mayor of the city in recognition of its efforts.

Environmental Policy

As a good corporate citizen, Fujitec will achieve harmony between business and the environment.

Overall Environmental Load for the Fiscal Year Ended March 31, 2014

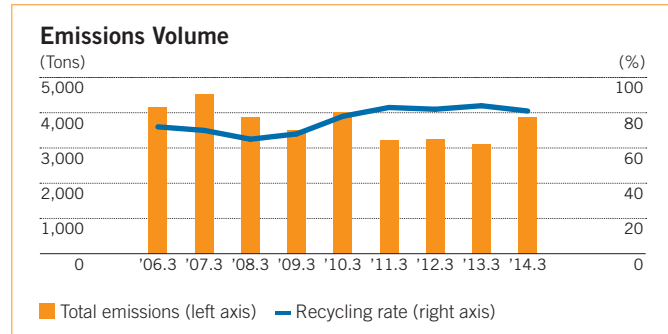


Waste Emissions

During the 8-year period from the year ended March 2006 to the year ended March 2014, Fujitec has reduced its annual waste emissions by 277 tons. Over the same period, we also improved our recycling rate by 9 percentage points.

Environmental Objectives and Targets

Fujitec has set targets for various items, such as energy-saving measures and waste-reduction measures, and conducts ongoing reviews of its performance.



Corporate Governance

(As of June 30, 2014)

Basic policy

Basic Approach to Corporate Governance

Fujitec global mission statement is “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.” To accomplish this mission, we believe that it is essential to gain shareholders’ trust and fulfill our social responsibilities. With our steadfast reputation, we will work to meet the expectations of all our stakeholders, and to increase their trust in us. To this end, we will construct and establish the corporate governance structure we require to ensure sound and transparent Group management.

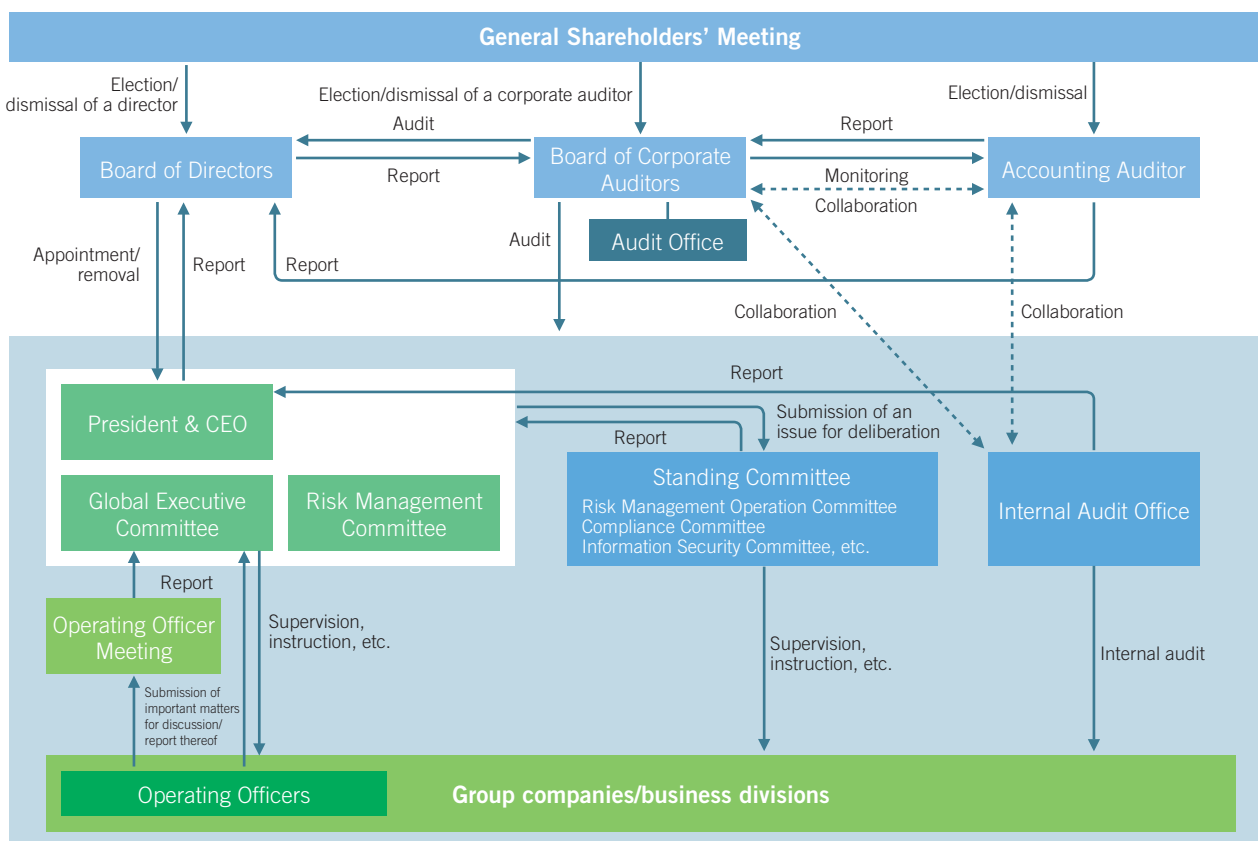
Management Structure

Matters Related to Functions of Business Execution, Audits and Oversight, Nominations, and Determination of Compensation (Overview of Current Corporate Governance Structure)

Fujitec is a company with a Board of Directors and a Board of Corporate Auditors. The Board of Directors is comprised of seven directors (including three outside directors) and is responsible for deciding on important matters relating to business management and overseeing directors’ performance of their duties. At the same time, there is a Board of Corporate Auditors comprised of four corporate auditors (including two outside corporate auditors), which audits the directors’ performance of their duties.

The business execution framework of the Company and its subsidiaries is the subject of the important conferences of the Global Executive Committee, which meets on a quarterly basis to deliberate on important issues in group management, including business promotion in Japan and abroad, and the Operating Officer Meeting, which is held on a monthly basis to deliberate important issues regarding business in Japan. All operating officers serving concurrently as directors attend the Global Executive Committee, including the CEO and the vice president and the corporate auditors. At the Operating Officer Meeting, all directors in Japan concurrently serving as operating officers attend, including the CEO and the vice

Corporate Governance Structure



president. In addition, the proceedings and results of these important conferences are reported to outside directors following each meeting.

Reason for Selecting the Current Corporate Governance Structure

In line with the Company's basic approach to corporate governance, the Company seeks to strengthen guidance and management through standing committees, such as the Risk Management Committee, while overseeing the status of business execution through the attendance of directors serving concurrently as operating officers in important meetings and other means. Moreover, the proceedings and results of important meetings are reported to the outside directors so that they can give appropriate advice and so forth. The company also promotes the sharing of information of audits by the corporate auditors, accounting audits, and internal audits, which are undertaken independently of business execution, and strives to optimize the governance structure so that each of these can perform its role and function effectively.

Internal Control

Basic Approach and Status of the Internal Control System

The Fujitec Group has enacted the Basic Policy on Internal Control, by a resolution of the Board of Directors, based on the Global Mission Statement, the Fujitec Philosophy of Human Resource Management, and the Fujitec Corporate Action Rules. Based on this policy, Fujitec has established an Internal Audit Office to promote related activities. That Office also responds to evaluations and audits of the internal control system by working to understand the operation processes of each business execution division, and upgrading the internal control system. We have also established dedicated committees for compliance, risk management, and

Auditing System

Reason for Selection of Outside Directors and Outside Corporate Auditors and Relationship to Society

Position	Career	Reason for Selection
Outside Director Hisao Shigekane	Counselor, Fuji Electric Co., Ltd.	Mr. Shigekane has served as a representative director at Fuji Electric Co., Ltd., and has been involved in corporate management for many years. The Company believes that he will provide management with useful opinions and advice based on his rich store of experience and high level of knowledge.
Outside Director*1 Yasuo Hanakawa		Mr. Hanakawa fulfills the conditions for an independent officer,*2 and the Company believes that he will provide advice on the Company's management in general, based on his rich experience and wide-ranging knowledge of corporate management, and the insight he has acquired as a university professor.
Outside Director*1 Terumichi Saeki	Partner, Kitahama Law Office Outside Director, IwaiCosmo Holdings, Inc. Outside Corporate Auditor, WATABE WEDDING CORPORATION	Mr. Saeki fulfills the conditions for an independent officer,*2 and has been involved with corporate management for many years as a lawyer and has experience serving as an outside officer. The Company believes that he will provide management with useful opinions and advice based on his rich store of knowledge.
Outside Corporate Auditor*1 Kenichi Ishikawa		Mr. Ishikawa has been involved in important positions in financial institutions for many years. The Company believes he will make use of his store of experience and knowledge relating to finance and accounting to perform his duty of auditing the Company appropriately.
Outside Corporate Auditor*1 Masanobu Nakano	Head of the Masanobu Nakano CPA Office Representative Member of tax accounting corporation TAS Outside Corporate Auditor, S Foods Inc. Outside Corporate Auditor, Kura Corporation	Mr. Nakano fulfills the conditions for an independent officer.*2 The Company believes that he will provide useful opinions to Company management from his perspective as an expert, making use of his rich experience and high level of knowledge as a certified public accountant and a tax accountant.

*1 Independent officer

*2 Mandatory conditions imposed by Tokyo Stock Exchange, Inc. to ensure the protection of ordinary shareholders.

information management systems, and these provide the necessary guidance and management for business execution.

Risk Management

To reduce various operating risks, the Company has established the Risk Management Committee, chaired by the CEO. The committee works to promote compliance, including risk management at all Group companies, and information security measures, and to achieve early detection of risk factors that could have a major social impact, such as ensuring product safety, and countermeasures for those factors. Underneath the committee there are standing committees that investigate and study each risk factor. The Risk Management Operation Committee collects information swiftly and accurately and ensures proper direction and the management of business execution to ensure that risk management functions effectively throughout the company.

Compliance

The Compliance Committee promotes compliance with the laws, regulations and corporate ethics necessary for promoting appropriate corporate activities and disseminates these to Group employees and other concerned persons as widely as possible. The Committee formulates the Compliance Action Plan every year and promotes compliance activities. As part of these activities, the Company conducts training for employees according to their position, level, and department, as well as Group training and on-demand education through e-learning, along with other measures to ensure that laws and regulations are made known to employees and conducts activities to raise employee awareness. The Company has also established an internal reporting system to curb fraud. This includes a Compliance Consultation Desk, as an internal reporting system related to compliance, which allows all employees to consult directly regardless of the organizational lines, and which will receive employee reports.

Directors, Corporate Auditors, and Operating Officers

(As of June 24, 2014)

Directors



Representative Director, President and CEO
General Manager of Global Business HQ
In charge of China
Takakazu Uchiyama

Jul. 2005 Chief Executive Officer (current)
Jun. 2002 Representative Director and President
(current)
Apr. 1976 Joined the Company



Executive Vice President
General Manager of Japan Business HQ
Iwataro Sekiguchi

Apr. 2010 Representative director (current)
Apr. 2007 Vice president (current)
Apr. 1974 Joined the Company



Director
Deputy General Manager of Global Business HQ
Narayanapillai Sugumaran

Jun. 2012 Director of the Company (current)
Jul. 1974 Joined Fujitec Singapore Corpn. Ltd.,
a subsidiary of the Company



Director
Deputy General Manager of Japan Business HQ
In charge of Field Engineering Management Division
In charge of Safety Control HQ
General Manager of Global Modernization Business
Promotion Center in the Global Business
Promotion Center
Takao Okada

Jun. 2012 Director (current)
Apr. 1976 Joined the Company



Outside Director
Hisao Shigekane

Jun. 2014 Director of the Company (current)
Jun. 2014 Counselor, Fuji Electric Co., Ltd.
(current)
Apr. 1974 Joined Fuji Electric Manufacturing
Co., Ltd.
(currently Fuji Electric Co., Ltd.)



Outside Director
Yasuo Hanakawa

Jun. 2007 Director of the Company (current)
Apr. 2004 Professor at the Faculty of Accounting &
Finance of Nagoya University of
Commerce & Business
Sept. 2003 Professor at the Faculty of Management
of Nagoya University of Commerce &
Business
Jun. 1998 Managing Director of Nissay Asset
Management Corporation
Jun. 1997 Managing Director of Dai-ichi Securities
Co., Ltd.



Outside Director
Terumichi Saeki

Jun. 2014 Director of the Company
Jun. 2010 Outside director of IwaiCosmo
Holdings, Inc. (current)
Jun. 2009 Corporate auditor of the Company
Apr. 1968 Registered as an attorney (Osaka Bar
Association)

Corporate Auditors

Corporate Auditor (Standing)	Masahiko Nogi
	Jun. 2012 Corporate auditor of the Company (current)
	Jun. 2009 Director of the Company
	Dec. 1977 Joined the Company
Outside Corporate Auditor (Standing)	Kenichi Ishikawa
	Jun. 2014 Corporate auditor of the Company (current)
	Apr. 1985 Joined Daiwa Bank, Ltd. (currently Resona Bank, Ltd.)
Corporate Auditor	Yoshio Kitagawa
	Jun. 2012 Corporate auditor of the Company (current)
	Jun. 2009 Director of the Company
	Apr. 2001 Joined the Company
Outside Corporate Auditor	Masanobu Nakano
	Jun. 2007 Corporate auditor of the Company (current)
	Mar. 2005 Established tax accounting corporation, TAS Representative member (current)
	Oct. 2002 Registered as a tax accountant
	Dec. 1975 Registered as a certified public accountant

Operating Officers

President and CEO	Takakazu Uchiyama*
Executive Vice President and Operating Officer	Iwataro Sekiguchi*
Senior Executive Operating Officer	Narayanapillai Sugumaran*
Senior Executive Operating Officer	Takao Okada*
Executive Operating Officer	Keiji Tsuyama
Executive Operating Officer	Katsuji Okuda
Executive Operating Officer	Yoshiichi Kato
Executive Operating Officer	Takashi Asano
Operating Officer	Junji Kajita
Operating Officer	Haruo Inoue
Operating Officer	Masahiro Tagawa
Operating Officer	Masayoshi Harada
Operating Officer	Yasuyuki Uchiyama
Operating Officer	Kunihiko Tsutsui
Operating Officer	Haruhiko Sakamoto
Operating Officer	Yasuo Utsunomiya
Operating Officer	Hisao Izuhara
Operating Officer	Akihiko Hayase
Operating Officer	Masashi Tsuchihata
Operating Officer	Yasuki Nakagawa

* Concurrent position

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Management Discussion and Analysis

Operating Results

Net Sales

Consolidated net sales for the fiscal year ended March 31, 2014 were ¥147,054 million, an increase of 25.2% compared to the previous fiscal year. Domestic net sales were ¥58,338 million, an increase of 17.1% compared to the previous fiscal year, and overseas net sales were ¥88,716 million, an increase of 31.1% compared to the previous fiscal year. The actual percentage increase in overseas sales, excluding the effect of foreign exchange fluctuations, was 6.8%.

1. Japan

In Japan, net sales were ¥62,407 million, an increase of 18.0% compared to the previous fiscal year, due to an increase in new installations and modernization projects, against the backdrop of robust domestic demand. Operating income was ¥4,605 million, an increase of ¥1,158 million compared to the previous fiscal year, because rises in productivity and profitability absorbed the increase in import material expenses due to the depreciation of yen and an increase in installation costs caused by a shortage of labor.

2. North America

In North America, net sales were ¥14,166 million, an increase of 23.9% compared to the previous fiscal year, due to growth in the service business. An operating loss of ¥26 million was recorded due to increased installation costs, whereas operating income of ¥119 million was recorded in the previous fiscal year. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 2.8%.

3. Europe

In Europe, net sales were ¥673 million, an increase of 72.8% compared to the previous fiscal year. An operating income of ¥5 million was recorded, whereas an operating loss of ¥12 million was

recorded in the previous fiscal year. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 40.4%.

4. South Asia

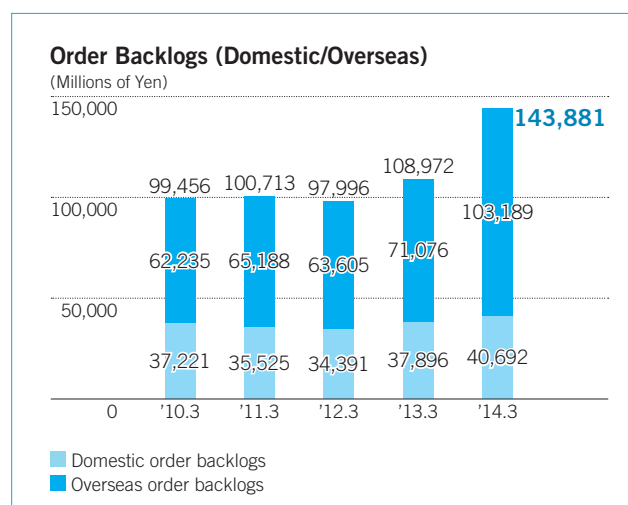
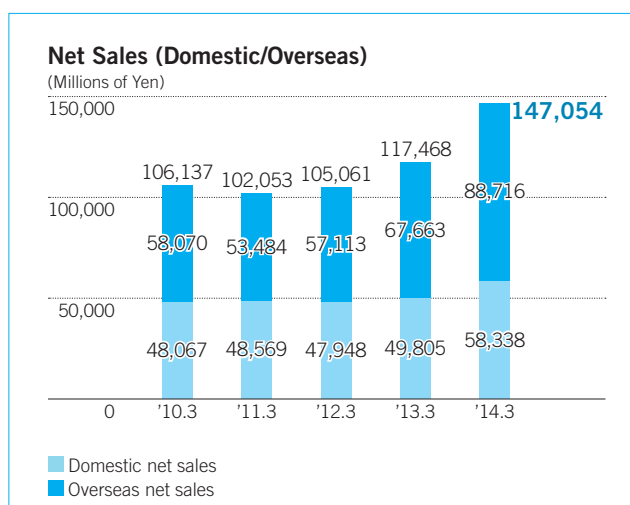
In South Asia, net sales were ¥13,024 million, an increase of 23.0% compared to the previous fiscal year. Operating income was ¥1,779 million, an increase of ¥293 million compared to the previous fiscal year. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 1.0%, and the actual percentage decrease in operating income was 1.7%.

5. East Asia

In East Asia, net sales were ¥66,364 million, an increase of 36.3% compared to the previous fiscal year, due to the significant increase in new installations in China. Operating income was ¥6,670 million, an increase of ¥2,491 million compared to the previous fiscal year, due to increased net sales and reduced material expenses. The actual percentage increase in net sales, excluding the effect of foreign exchange fluctuations, was 10.4%.

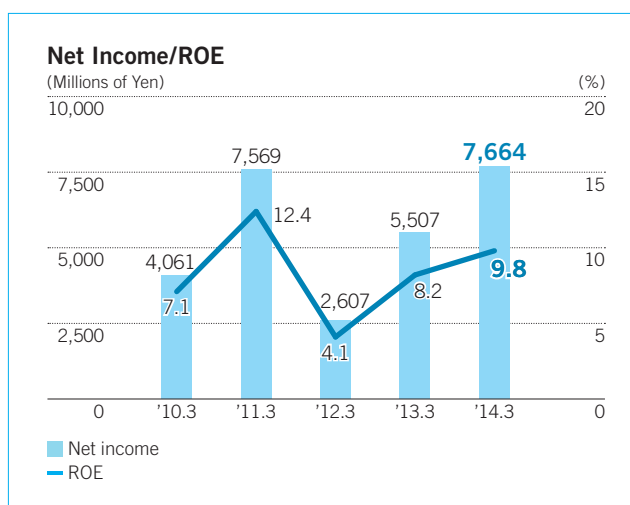
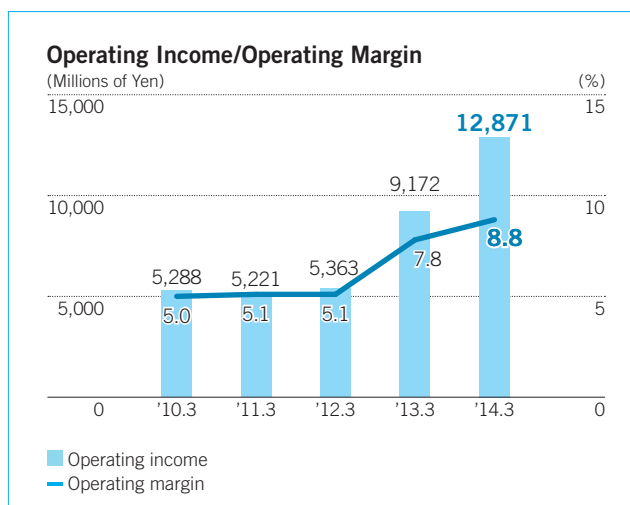
Order Backlogs

In Japan, the order backlogs were ¥40,692 million, an increase of 7.4% compared to the level at the end of the previous fiscal year, due to the growth in new installations. Overseas, the order backlogs were ¥103,189 million, an increase of 45.2% compared to the level at the end of the previous fiscal year, mainly due to an increase in the backlog in East Asia. As a result, the total amount of order backlogs was ¥143,881 million, an increase of 32.0% compared to the level at the end of the previous fiscal year. The actual percentage increase in total order backlog overseas, excluding the effect of foreign exchange fluctuations, was 18.4%.



Operating Income and Net Income

Operating income was ¥12,871 million, an increase of 40.3% compared to the previous fiscal year, due to an increase in profit in Japan and East Asia. Other income and expenses resulted in net other income of ¥1,316 million due to an increased financial balance and to foreign exchange income and rents received, while a net special loss of ¥203 million was recorded due to special extra retirement payments mainly caused by the reorganization of overseas production. Income before income taxes and minority interests was ¥13,984 million, an increase of 42.3% compared to the previous fiscal year. As a result of an increase in tax expenses of ¥1,371 million, net income was ¥7,664 million, an increase of 39.1% compared to the previous fiscal year.



Financial Position

Assets, Liabilities and Net Assets

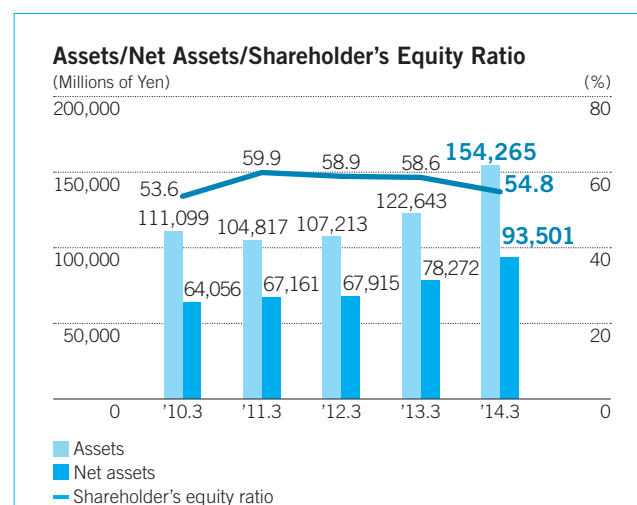
Total assets at the end of the fiscal year ended March 31, 2014 were ¥154,265 million, an increase of ¥31,622 million compared to the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of ¥9,766 million, an increase in trade notes and accounts receivable of ¥11,078 million, an increase in work in process of ¥2,322 million, and an increase in raw materials and supplies of ¥2,084 million.

Total liabilities were ¥60,764 million, an increase of ¥16,393 million compared to the end of the previous fiscal year. This was mainly due to an increase in trade notes and accounts payable of ¥3,616 million, an increase in accrued income taxes of ¥1,774 million, an increase in provision for losses on construction contracts of ¥1,911 million, an increase in advances from customers of ¥5,574 million, and an increase in long-term debt of ¥1,204 million.

Net assets were ¥93,501 million, an increase of ¥15,229 million compared to the end of the previous fiscal year. This was mainly due to an increase in retained earnings of ¥5,886 million, an increase in foreign currency translation adjustments of ¥7,725 million, and an increase in minority interests of ¥2,540 million, which were offset by a decrease in treasury stock of ¥944 million. The shareholders' equity ratio at March 31, 2014 was 54.8%, a decrease of 3.8 percentage points compared to the end of the previous fiscal year, and net assets per share were ¥912.40, an increase of ¥143.76 compared to the end of the previous fiscal year.

Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2014 were ¥20,903 million, which was an increase of ¥5,384 million compared to the end of the previous fiscal year.



Cash Flows from Operating Activities

Net cash provided by operating activities was ¥9,294 million, an increase in revenue of ¥1,381 million compared to the previous fiscal year. This was mainly due to an increase in trade notes and accounts receivable and an increase in inventories, offset by income before income taxes and minority interests of ¥13,984 million, an increase in depreciation and amortization of ¥2,237 million and an increase in advances from customers.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥2,655 million, an increase in expenditures of ¥2,423 million compared to the previous fiscal year, due to payments totaling ¥2,007 million for acquisitions of property, plant and equipment, and ¥292 million for purchase of intangible assets.

Cash Flows from Financing Activities

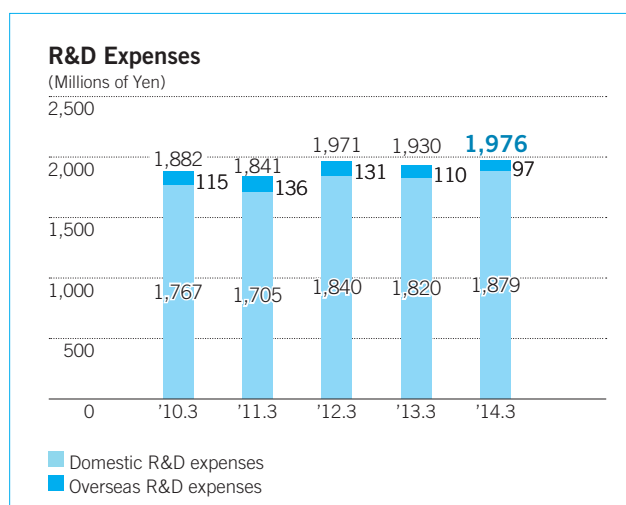
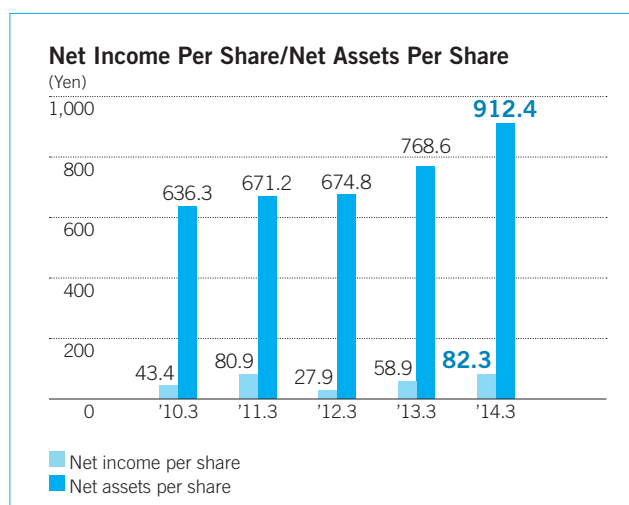
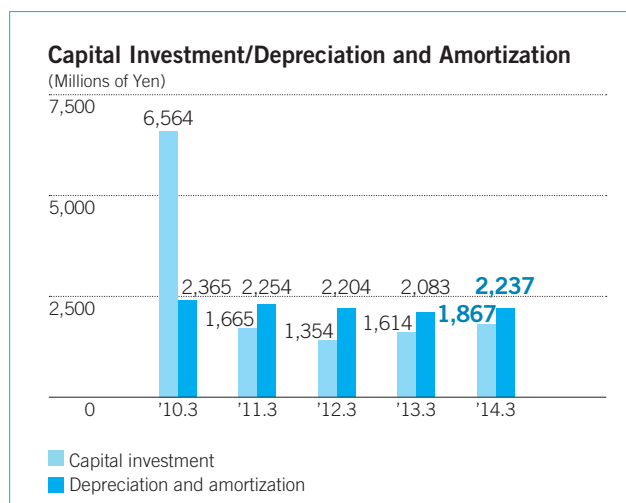
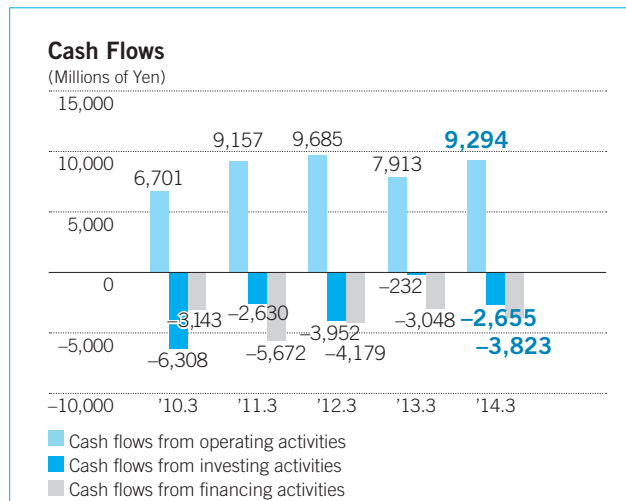
Net cash used in financing activities was ¥3,823 million, an increase in expenditures of ¥775 million compared to the previous fiscal year, due to purchase of treasury stock for ¥1,012 million and cash dividends paid.

Capital Investment

Total capital investment during the fiscal year ended March 31, 2014 was ¥1,867 million. Within this, capital investment in Japan was ¥1,026 million, mainly for additional facilities that comprise elevator development, production bases and after-sales service bases. Overseas capital investment was ¥841 million, predominantly for production bases in East Asia.

R&D Expenses

Total R&D expenses during the fiscal year ended March 31, 2014 were ¥1,976 million. Within this, R&D expenses in Japan came to ¥1,879 million, and overseas R&D expenses were ¥97 million.



Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2014 and 2013

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Current assets:			
Cash and cash equivalents	¥ 20,903	¥ 15,519	\$ 202,942
Time deposits	20,309	15,927	197,175
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	343	338	3,330
Other	41,774	30,701	405,573
Allowance for doubtful accounts	(1,263)	(920)	(12,262)
	40,854	30,119	396,641
Inventories (Note 5)	19,930	13,887	193,495
Deferred tax assets (Note 6)	2,844	2,062	27,612
Other current assets	6,432	3,222	62,446
Total current assets	111,272	80,736	1,080,311
Investments and long-term loans:			
Investments in unconsolidated subsidiaries and affiliates	752	657	7,301
Investment securities (Note 4)	5,228	4,363	50,758
Long-term loans	16	1,914	155
Total investments and long-term loans	5,996	6,934	58,214
Property, plant and equipment, at cost (Note 7):			
Buildings and structures	27,890	26,107	270,777
Machinery, vehicles, tools, furniture and fixtures	16,681	15,002	161,951
Leased assets (Note 9)	—	26	—
	44,571	41,135	432,728
Accumulated depreciation	(22,666)	(20,026)	(220,058)
	21,905	21,109	212,670
Land	6,925	6,816	67,233
Construction in progress	1,152	834	11,184
Total property, plant and equipment, at cost	29,982	28,759	291,087
Other assets:			
Deferred tax assets (Note 6)	736	766	7,146
Goodwill	717	689	6,961
Intangible assets	3,159	2,448	30,670
Other	2,403	2,311	23,329
Total	¥154,265	¥122,643	\$1,497,718

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Current liabilities:			
Short-term debt (Note 7)	¥ 541	¥ 600	\$ 5,252
Current portion of long-term debt (Note 7)	508	1,475	4,932
Lease obligations (Note 9)	—	4	—
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	27	8	262
Other	16,992	13,395	164,971
Advances from customers	17,326	11,752	168,214
Accrued income taxes (Note 6)	3,119	1,345	30,282
Provision for bonuses to employees	2,905	2,333	28,204
Provision for bonuses to directors	66	66	641
Provision for losses on construction contracts	5,346	3,435	51,903
Provision for warranties for completed construction	488	449	4,738
Other current liabilities	7,031	5,091	68,261
Total current liabilities	54,349	39,953	527,660
Non-current liabilities:			
Long-term debt (Note 7)	1,271	67	12,340
Deferred tax liabilities (Note 6)	139	97	1,350
Provision for retirement benefits (Note 11)	—	4,037	—
Net defined benefit liability (Note 11)	4,790	—	46,505
Retirement benefits for directors	192	192	1,864
Asset retirement obligation	20	20	194
Other non-current liabilities	3	5	29
Total non-current liabilities	6,415	4,418	62,282
Total liabilities	60,764	44,371	589,942
Contingent liabilities (Note 8)			
Net assets:			
Shareholders' equity (Note 10):			
Common stock:			
Authorized: 300,000,000 shares			
Issued: 93,767,317 shares at March 31, 2014 and 2013	12,534	12,534	121,689
Additional paid-in capital	14,566	14,566	141,417
Retained earnings	67,406	61,520	654,427
Treasury stock, at cost: 1,077,349 shares at March 31, 2014 and 203,231 shares at March 31, 2013	(1,079)	(135)	(10,475)
Total shareholders' equity	93,427	88,485	907,058
Accumulated other comprehensive income:			
Net unrealized gains on securities	1,538	1,021	14,932
Deferred gains or losses on hedges	(2)	—	(19)
Foreign currency translation adjustments	(9,864)	(17,589)	(95,767)
Remeasurements of defined benefit plans	(529)	—	(5,136)
Total accumulated other comprehensive income	(8,857)	(16,568)	(85,990)
Stock acquisition rights (Note 16)	36	—	349
Minority interests	8,895	6,355	86,359
Total net assets	93,501	78,272	907,776
Total	¥154,265	¥122,643	\$1,497,718

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Net sales	¥147,054	¥117,468	\$1,427,709
Operating costs and expenses:			
Cost of sales	114,245	90,983	1,109,175
Selling, general and administrative expenses	19,938	17,313	193,573
Total operating costs and expenses	134,183	108,296	1,302,748
Operating income	12,871	9,172	124,961
Other income (expenses):			
Interest and dividend income	793	516	7,699
Interest expense	(79)	(56)	(767)
Rent income	151	—	1,466
Foreign currency exchange gain, net	388	223	3,767
Other, net	63	210	612
	1,316	893	12,777
Special items:			
Gain on sales of property, plant and equipment	8	2	78
Gain on sales of investment securities	—	2	—
Loss on sales and disposal of property, plant and equipment	(26)	(62)	(253)
Write-down of an unconsolidated subsidiary's investment	(34)	—	(330)
Impairment loss on fixed assets	—	(76)	—
Loss on sales of investment securities	(0)	—	(0)
Write-down of investment securities (Note 4)	(4)	(101)	(39)
Special extra retirement payments	(147)	—	(1,427)
	(203)	(235)	(1,971)
Income before income taxes and minority interests	13,984	9,830	135,767
Income taxes (Note 6):			
Current	5,032	2,218	48,854
Deferred	(688)	755	(6,679)
Total income taxes	4,344	2,973	42,175
Income before minority interests	9,640	6,857	93,592
Minority interests in net income of consolidated subsidiaries	1,976	1,350	19,184
Net income	¥ 7,664	¥ 5,507	\$ 74,408
Per share:			
Net income, based on the weighted average number of shares outstanding . . .	¥ 82.32	¥ 58.87	\$ 0.80
Diluted net income, based on the weighted average number of shares outstanding*	82.31	—	0.80
Cash dividends applicable to the year	22.00	16.00	0.21

* Diluted net income per share for the year ended March 31, 2013 is not shown as there were no securities with dilutive effect.

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, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Income before minority interests	¥ 9,640	¥ 6,857	\$ 93,592
Other comprehensive income (Note 3):			
Net unrealized gains on securities	517	566	5,019
Deferred gains or losses on hedges	(2)	—	(19)
Foreign currency translation adjustments	9,295	4,620	90,243
Other comprehensive income, net	9,810	5,186	95,243
Comprehensive income	¥19,450	¥12,043	\$188,835
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	15,904	9,998	154,408
Comprehensive income attributable to minority interests	3,546	2,045	34,427

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2014 and 2013

	Thousands	Millions of Yen				
		Shareholders' equity				
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
Balance at April 1, 2012	93,767	¥12,534	¥14,566	¥57,228	¥ (131)	¥84,197
Cash dividends				(1,215)		(1,215)
Net income				5,507		5,507
Purchase of treasury stock					(4)	(4)
Net change in the year						
Balance at April 1, 2013	93,767	12,534	14,566	61,520	(135)	88,485
Cash dividends				(1,778)		(1,778)
Net income				7,664		7,664
Purchase of treasury stock					(1,012)	(1,012)
Disposal of treasury stock					68	68
Net change in the year						
Balance at March 31, 2014	93,767	¥12,534	¥14,566	¥67,406	¥(1,079)	¥93,427

	Millions of Yen							
	Accumulated other comprehensive income							
	Net unrealized gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2012	¥ 456	¥—	¥(21,514)	¥ —	¥(21,058)	¥ —	¥4,776	¥67,915
Cash dividends								(1,215)
Net income								5,507
Purchase of treasury stock								(4)
Net change in the year	565	—	3,925	—	4,490	—	1,579	6,069
Balance at April 1, 2013	1,021	—	(17,589)	—	(16,568)	—	6,355	78,272
Cash dividends								(1,778)
Net income								7,664
Purchase of treasury stock								(1,012)
Disposal of treasury stock								68
Net change in the year	517	(2)	7,725	(529)	7,711	36	2,540	10,287
Balance at March 31, 2014	¥1,538	¥(2)	¥ (9,864)	¥(529)	¥ (8,857)	¥36	¥8,895	¥93,501

	Thousands	Thousands of U.S. Dollars (Note 1)				
		Shareholders' equity				
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total
Balance at April 1, 2013	93,767	\$121,689	\$141,417	\$597,281	\$ (1,310)	\$859,077
Cash dividends				(17,262)		(17,262)
Net income				74,408		74,408
Purchase of treasury stock					(9,825)	(9,825)
Disposal of treasury stock					660	660
Net change in the year						
Balance at March 31, 2014	93,767	\$121,689	\$141,417	\$654,427	\$(10,475)	\$907,058

	Thousands of U.S. Dollars (Note 1)							
	Accumulated other comprehensive income							
	Net unrealized gains on securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2013	\$ 9,913	\$ —	\$(170,767)	\$ —	\$(160,854)	\$ —	\$61,700	\$759,923
Cash dividends								(17,262)
Net income								74,408
Purchase of treasury stock								(9,825)
Disposal of treasury stock								660
Net change in the year	5,019	(19)	75,000	(5,136)	74,864	349	24,659	99,872
Balance at March 31, 2014	\$14,932	\$(19)	\$(95,767)	\$(5,136)	\$(85,990)	\$349	\$86,359	\$907,776

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, 2014 and 2013

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥13,984	¥ 9,830	\$135,767
Depreciation and amortization	2,237	2,083	21,718
Increase in allowance for doubtful accounts	101	262	981
Increase in provision for bonuses to employees	336	545	3,262
Increase in provision for losses on construction contracts	1,719	412	16,689
Interest and dividends income	(793)	(516)	(7,699)
Interest expense	79	56	767
Increase in trade notes and accounts receivable	(5,929)	(3,355)	(57,563)
Increase in inventories	(3,403)	(1,618)	(33,039)
Increase in trade notes and accounts payable	1,105	829	10,728
(Gain) loss on sales of investment securities, net	0	(2)	0
Write-down of investment securities, net	4	101	39
Increase in advances from customers	2,515	1,015	24,417
(Gain) loss on sales of property, plant and equipment	(7)	28	(68)
Loss on disposal of property, plant and equipment	25	32	243
Decrease in net defined benefit liability	(208)	—	(2,019)
Other, net	892	(190)	8,660
Sub-total	12,657	9,512	122,883
Payment of income taxes	(3,363)	(1,599)	(32,650)
Net cash provided by operating activities	9,294	7,913	90,233
Cash flows from investing activities:			
(Increase) decrease in time deposits, net	(974)	1,427	(9,456)
Acquisitions of property, plant and equipment	(2,007)	(1,544)	(19,485)
Proceeds from sales of property, plant and equipment	28	30	272
Purchase of intangible assets	(292)	(615)	(2,835)
Proceeds from sales of investment securities	100	203	971
Interest and dividend income received	760	521	7,378
Other, net	(270)	(254)	(2,622)
Net cash used in investing activities	(2,655)	(232)	(25,777)
Cash flows from financing activities:			
Decrease in short-term debt, net	(189)	(1,290)	(1,835)
Proceeds from long-term debt	1,722	—	16,718
Repayment of long-term debt	(1,568)	(12)	(15,223)
Repayment of lease obligations	(4)	(5)	(39)
Purchase of treasury stock	(1,012)	(3)	(9,825)
Payment of interest	(75)	(56)	(728)
Cash dividends paid	(1,777)	(1,216)	(17,252)
Cash dividends paid to minority shareholders	(827)	(463)	(8,029)
Repayment to minority shareholders	(172)	(3)	(1,670)
Other, net	79	—	767
Net cash used in financing activities	(3,823)	(3,048)	(37,116)
Effect of exchange rate changes on cash and cash equivalents	2,568	1,168	24,932
Net increase in cash and cash equivalents	5,384	5,801	52,272
Cash and cash equivalents at beginning of year	15,519	9,718	150,670
Cash and cash equivalents at end of year	¥20,903	¥15,519	\$202,942

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, 2014 and 2013

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 ¥103=\$1, the prevailing exchange rate as of March 31, 2014. 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, 2014 and 2013 include the accounts of the Company and the following 18 significant subsidiaries (together the “Companies”).

Fujitec America, Inc. (U.S.A.)
Fujitec Canada, Inc. (Canada)
Fujitec UK Ltd. (United Kingdom)
Fujitec Deutschland GmbH (Germany)
Fujitec Singapore Corp. Ltd. (Singapore)
FSP Pte. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (Malaysia) Sdn. Bhd. (Malaysia)
Fujitec Holdings Sdn. Bhd. (Malaysia)
Fujitec India Private Ltd. (India)
Fujitec (Thailand) Co., Ltd. (Thailand)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
Fujitec Shanghai Sourcing Center Co., Ltd. (China)
Fujitec (HK) Co., Ltd. (Hong Kong)
Rich Mark Engineering Limited (Hong Kong)
Fujitec Taiwan Co., Ltd. (Taiwan)
Fujitec Korea Co., Ltd. (Korea)

The 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 rate in effect at their balance sheet date. When a significant change in the 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 rate 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 statements 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 generally stated at cost determined by the specific identification method or the average method. (Balance sheet amounts are written down based on any decline in profitability.)

(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, vehicles, tools, furniture and fixtures: 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 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) Provision for bonuses to employees

Provision for bonuses to employees is calculated on an accrual basis for the financial year on the expected amount to be paid to the employees.

(3) Provision for bonuses to directors

Provision for bonuses to directors is 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 is recognized by providing for losses on construction contracts.

(5) Provision for warranties for completed construction

Provision for warranties for completed construction is recognized at an estimated amount of compensation to be incurred in the future for completed construction.

(L) Accounting method for retirement benefits

(1) Period allocation method for the estimated retirement benefit amount

Retirement benefit obligations are calculated by allocating the estimated retirement benefit amount until the end of the current consolidated fiscal year on a straight-line basis.

(2) Amortization of actuarial gains and losses and prior service costs

Unrecognized actuarial gains or losses are amortized beginning in the following consolidated fiscal year by the straight-line method over a specified number of years (10 years) within the average remaining service period of employees at the time the difference arose.

Prior service costs are amortized by the straight-line method over a specified number of years (10 years) within the average remaining service period of employees at the time the cost incurred.

For certain consolidated subsidiaries, a simplified method is applied for the calculation of retirement benefit obligations and retirement benefit expenses in which the necessary retirement benefit provisions for voluntary resignations at the end of the consolidated fiscal year are recorded as retirement benefit obligations.

(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 rates and interest rates, not to enter into derivatives for 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 a strong correlation and high effectiveness between the hedging instrument and the hedged item, deferral hedge accounting applies, 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 using 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 its 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.

Diluted net income per share assumes the dilution that would occur if stock acquisition rights were exercised.

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 in which they are paid.

(R) Reclassification of accounts

Certain reclassifications have been made in the 2013 financial statements to conform to the presentation in 2014.

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

Accounting Standard for Retirement Benefits

The Company has adopted “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26 issued on May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 issued May 17, 2012) from the end of the fiscal year ended March 31, 2014. Provisions contained in the text of Article 35 of the Accounting Standard for Retirement Benefits and the text of Article 67 of the Guidance on Accounting Standard for Retirement Benefits have been excluded.

Under this accounting standard, the Companies changed their accounting method to record net defined benefit liability for retirement benefits as the amount remaining after deducting the value of pension assets from retirement benefit obligations. Accordingly, the Company recorded unrecognized actuarial gains and losses and unrecognized prior service costs under net defined benefit liability for retirement benefits.

Regarding the adoption of the standard for retirement benefits, in accordance with the transitional treatment stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the impact of the change was recorded in remeasurements of defined benefit plans under accumulated other comprehensive income at the end of the current consolidated fiscal year.

As a result, the Companies recorded net defined benefit liability of ¥4,790 million (US\$46,505 thousand) and accumulated other comprehensive income decreased by ¥529 million (US\$5,136 thousand) at the end of the consolidated fiscal year ended March 31, 2014.

(T) Accounting standards issued but not yet effective

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

(1) Summary

This accounting standard and guidance 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 obligations and service costs, and enhancement of disclosure items.

(2) Effective dates

The Company intends to adopt the revised calculation methods for retirement benefit obligations and service costs from the beginning of the year ending March 31, 2015.

(3) Impact of adoption of the standard and guidance

The impact of adopting this accounting standard and guidance is currently being examined.

(U) Additional information

Accounting policy for the ESOP Trust supporting employee shareholding association

The Company has resolved at a meeting of its Board of Directors held on August 8, 2013 to introduce an employee incentive plan called the “ESOP Trust supporting employee shareholding association” (hereinafter referred to as “ESOP Trust”), with the aim of raising corporate value over the medium and long terms. On September 18, 2013, the Board of Directors resolved details regarding the ESOP Trust, including the schedule and the term of trust as well as the total amount of shares purchased.

The Company established the ESOP Trust on September 25, 2013, beneficiaries of which shall be employees who belong to “Fujitec’s Employee Shareholding Association” and meet certain requirements. The ESOP Trust sells Company shares to “Fujitec’s Employee Shareholding Association” each month at a certain fixed date. In the event that, at the end of the trust period, there is some profit generated by a rise in share prices, the profit will be distributed to each beneficiary employee according to his or her shares. In the event that a loss incurred due to a decline in share prices leaves the trust fund with a debt, the Company will pay all such debts to the bank(s), based on the guarantee provision of the loan agreement with liability limitation covenant, and there will be no financial burden to be imposed on employees.

The ESOP Trust is accounted for using the gross method with which Company shares held by the ESOP Trust are included in treasury stock under nets assets and loans in long-term debt under liabilities. As of March 31, 2014, the book value of treasury stock (862,700 shares) recorded using the gross method was ¥930 million (US\$9,029 thousand) and the book value of long-term debt recorded using the gross method was ¥919 million (US\$8,923 thousand).

3. Other Comprehensive Income

Reclassification adjustments and tax effect of each component of other comprehensive income for the years ended March 31, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Net unrealized gains on securities:			
Arising during the fiscal year	¥ 799	¥ 740	\$ 7,757
Reclassification adjustment	4	99	39
Sub-total, before tax	803	839	7,796
Tax effect	(286)	(273)	(2,777)
Net unrealized gains on securities	517	566	5,019
Deferred gains or losses on hedges:			
Arising during the fiscal year	(2)	—	(19)
Reclassification adjustment	—	—	—
Sub-total, before tax	(2)	—	(19)
Tax effect	—	—	—
Deferred gains or losses on hedges	(2)	—	(19)
Foreign currency translation adjustments:			
Arising during the fiscal year	9,295	4,620	90,243
Reclassification adjustment	—	—	—
Sub-total, before tax	9,295	4,620	90,243
Tax effect	—	—	—
Foreign currency translation adjustments	9,295	4,620	90,243
Total other comprehensive income	¥9,810	¥5,186	\$ 95,243

4. Investment Securities

Available-for-sales securities at March 31, 2014 and 2013 are summarized as follows:

	Millions of Yen							
	2014				2013			
	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	¥2,754	¥2,385	¥34	¥5,105	¥2,607	¥1,577	¥30	¥4,154
Total	¥2,754	¥2,385	¥34	¥5,105	¥2,607	¥1,577	¥30	¥4,154

Thousands of U.S. Dollars (Note 1)				
2014				
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	\$26,738	\$23,155	\$330	\$49,563
Total	\$26,738	\$23,155	\$330	\$49,563

The carrying amounts of equity securities whose fair value is not readily determinable are ¥123 million (US\$1,195 thousand) and ¥209 million for the years ended March 31, 2014 and 2013, respectively.

For the years ended March 31, 2014 and 2013, losses of ¥4 million (US\$39 thousand) and ¥101 million, respectively, are recognized as write-downs of investment securities to reflect the significant decline in market value judged to be other than temporary.

5. Inventories

Inventories at March 31, 2014 and 2013 are comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Finished goods and semi-finished goods	¥ 4,841	¥ 3,204	\$ 47,000
Work in process	7,060	4,738	68,544
Raw materials and supplies	8,029	5,945	77,951
Total	¥19,930	¥13,887	\$193,495

6. 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, 2014 and 2013. Income tax rates of the consolidated foreign subsidiaries range from 16.5% to 34.0% for the year ended March 31, 2014 and from 12.5% to 34.0% for the year ended March 31, 2013.

(1) The major components of deferred tax assets and liabilities at March 31, 2014 and 2013 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Deferred tax assets:			
Accrued pension and severance payments	¥ —	¥ 1,347	\$ —
Net defined benefit liability	1,565	—	15,194
Provision for bonuses to employees	590	571	5,728
Provision for losses on construction contracts	1,562	1,028	15,165
Allowance for doubtful accounts	312	138	3,029
Tax loss carryforwards	3,737	2,880	36,282
Other	1,572	1,386	15,262
Total deferred tax assets	9,338	7,350	90,660
Less: valuation allowance	(4,818)	(3,884)	(46,777)
Total deferred tax assets	4,520	3,466	43,883
Deferred tax liabilities:			
Unrealized gains on securities	(812)	(525)	(7,883)
Dividend income received from subsidiaries	(31)	(31)	(301)
Other	(236)	(179)	(2,291)
Total deferred tax liabilities	(1,079)	(735)	(10,475)
Net deferred tax assets	¥ 3,441	¥ 2,731	\$ 33,408

Net deferred tax assets and liabilities presented in the consolidated balance sheets at March 31, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Current assets—Deferred tax assets	¥2,844	¥2,062	\$27,612
Other assets—Deferred tax assets	736	766	7,146
Current liabilities—Deferred tax liabilities	—	—	—
Non-current liabilities—Deferred tax liabilities	(139)	(97)	(1,350)
Net deferred tax assets	¥3,441	¥2,731	\$33,408

(2) A reconciliation between the Company's statutory tax rate and the effective tax rate at March 31, 2014 and 2013 is as follows:

	2014	2013
Statutory tax rate	38.01 %	38.01 %
Non-deductible expenses	0.13	0.14
Valuation allowance for deferred tax assets	1.66	1.67
Per capita inhabitant tax	0.86	1.20
Net loss of consolidated subsidiaries	(0.90)	(0.29)
Effect of foreign tax rate differences	(10.62)	(10.14)
Other	1.92	(0.35)
Effective tax rate	31.06 %	30.24 %

(3) Change in the statutory effective tax rate

The “Act for Partial Amendment of the Income Tax Act, etc.” was promulgated on March 31, 2014 and, as a result, the Company is no longer subject to the Special Reconstruction Corporation Tax effective for fiscal years beginning on or after April 1, 2014. As a result, the statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 38.01% to 35.64% for the temporary differences expected to be realized in the fiscal year beginning April 1, 2014.

The effect of the reduction of the effective statutory tax rate decreased deferred tax assets after offsetting deferred tax liabilities by ¥170 million (US\$1,650 thousand) and increased deferred income taxes by the same amount as of and for the fiscal year ended March 31, 2014.

7. Short-term Debt and Long-term Debt

Short-term debt represents notes payable mainly to banks with the weighted average interest rate of 2.21% per annum at March 31, 2014 and 4.87% per annum at March 31, 2013.

(1) Long-term debt at March 31, 2014 and 2013 consists of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Loans, mainly from banks and insurance companies due through 2020 at weighted average interest rates of 0.88% in 2014 and no applicable rate in 2013	¥1,779	¥1,542	\$17,272
	1,779	1,542	17,272
Less: portion due within one year	508	1,475	4,932
	¥1,271	¥ 67	\$12,340

(2) The aggregate annual maturities of long-term debt outstanding as of March 31, 2014 are as follows:

Years ending March 31,	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2015	¥508	\$4,932
2016	302	2,933
2017	16	155
2018	16	155
2019	16	155
2020	2	19
Total	¥860	\$8,349

Notes: (1) Long-term debt for the ESOP Trust in the amount of ¥919 million (US\$8,923 thousand) is excluded from the total amounts.

(2) As of March 31, 2014, 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 assets	¥1,571	\$15,252
Short-term debt	—	—

8. Contingent Liabilities

Contingent liabilities at March 31, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Trade notes receivable discounted	¥—	¥189	\$—

9. Leases

(1) The amounts related to finance lease assets at March 31, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Machinery and equipment:			
Acquisition costs	¥—	¥ 26	\$—
Accumulated depreciation	—	(22)	—
Book value	¥—	¥ 4	\$—
Future minimum lease payments:			
Due within one year	¥—	¥ 4	\$—
Due after one year	—	—	—
Total	¥—	¥ 4	\$—

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, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Future minimum lease payments:			
Due within one year	¥173	¥124	\$1,680
Due after one year	258	213	2,505
Total	¥431	¥337	\$4,185

10. Shareholders' Equity

Under the Corporate Law of Japan (the "Companies Act"), the entire amount paid for new shares must be designated as common stock. However, 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 aggregate amount of legal reserve and additional paid-in capital equals 25% of 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.

11. Retirement Benefits

For the year ended March 31, 2014

The Company and its consolidated subsidiaries have adopted funded and non-funded defined benefit pension plans and defined contribution pension plans.

The Company has adopted defined benefit pension plans and lump-sum severance payment plans. Its consolidated subsidiaries have adopted mainly lump-sum severance payment plans and defined contribution pension plans.

Certain consolidated subsidiaries calculate net defined benefit liability and retirement benefit expenses using the simplified accounting method.

1. Defined benefit pension plans

(1) Changes to the balance of retirement benefit obligations at the beginning and end of the period as of March 31, 2014 (except adoption of the simplified accounting method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Beginning balance of retirement benefit obligations	¥13,004		\$126,253
Service cost	637		6,184
Interest cost	195		1,893
Actuarial gains and losses	135		1,311
Retirement benefits paid	(559)		(5,427)
Prior service costs	0		0
Other	3		29
End balance of retirement benefit obligations	¥13,415		\$130,243

(2) Changes to the balance of pension assets at the beginning and end of the period as of March 31, 2014 (except adoption of the simplified accounting method)

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2014	2014
Beginning balance of pension assets	¥8,202	\$79,631
Expected return on plan assets	164	1,592
Actuarial gains and losses	444	4,311
Employer contribution	941	9,136
Retirement benefits paid	(378)	(3,670)
End balance of pension assets	¥9,373	\$91,000

(3) Changes to the balance of net defined benefit liability at the beginning and end of the period as of March 31, 2014 (only adoption of the simplified accounting method)

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2014	2014
Beginning balance of net defined benefit liability	¥541	\$5,252
Retirement benefit expenses	98	952
Retirement benefits paid	(26)	(253)
Contribution to plan	(0)	(0)
Other	135	1,311
End balance of net defined benefit liability	¥748	\$7,262

(4) Changes to the balance of retirement benefit obligations and pension assets at the end of the period as of March 31, 2014 and net defined benefit liability and asset recorded in the consolidation balance sheets (including adoption of the simplified accounting method)

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2014	2014
Funded retirement benefit obligations	¥10,784	\$104,699
Pension assets	(9,373)	(91,000)
	1,411	13,699
Non-funded retirement benefit obligations	3,379	32,806
Net liabilities and assets recorded in the consolidated balance sheets	4,790	46,505
Net defined benefit liability	4,790	46,505
Net defined benefit asset	—	—
Net liabilities and assets recorded in the consolidated balance sheets	¥ 4,790	\$ 46,505

(5) Components of retirement benefit expenses

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2014	2014
Service cost	¥ 637	\$ 6,184
Interest cost	195	1,893
Expected return on plan assets	(164)	(1,592)
Amortization of actuarial gains and losses	171	1,660
Amortization of prior service costs	2	19
Retirement benefit expenses calculated by the simplified accounting method	98	952
Retirement benefit expenses under defined benefit pension plans	¥ 939	\$ 9,116

(6) Remeasurements of defined benefit plans

The breakdown of items recorded in remeasurements of defined benefit plans (before deduction of tax effects) as of March 31, 2014 is as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
	2014	2014
Unrecognized prior service costs	¥ 15	\$ 146
Unrecognized actuarial gains and losses	807	7,835
Total	¥822	\$7,981

(7) Items related to pension assets

(A) Breakdown of main items

Ratio for each main classification for total pension assets

	2014
Bonds	51%
Equity securities	34
General accounts	10
Other	5
Total	100%

(B) Method for determining expected long-term rate of return

In determining the expected long-term rate of return, the Company considers current and expected distributions of pension assets and the current and expected long-term rate of return from the various assets composed of pension assets.

(8) Items related to the basis for actuarial calculation

Main basis for actuarial calculation as of March 31, 2014 is as follows:

	2014
Discount rate	1.5%
Expected long-term rate of return	2.0%

2. Defined contribution pension plans

Required contributions to defined contribution pension plans by the Company and its consolidated subsidiaries for the year ended March 31, 2014 are ¥77 million (US\$747 thousand).

For the year ended March 31, 2013

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

	Millions of Yen
	2013
Projected retirement benefit obligations	¥(13,545)
Plan assets at fair value	8,202
Retirement benefit obligations in excess of plan assets	(5,343)
Unrecognized actuarial differences	1,288
Unrecognized prior service costs	18
Provision for retirement benefits	¥ (4,037)

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

	Millions of Yen
	2013
Service cost	¥ 690
Interest cost	191
Expected return on plan assets	(142)
Amortization of actuarial gains and losses	329
Amortization of prior service costs	2
Net periodic benefit cost	1,070
Cost of defined contribution pension plans	30
Retirement benefit expenses	¥1,100

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

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

12. Research and Development Costs

Research and development costs for the years ended March 31, 2014 and 2013 are ¥1,976 million (US\$19,184 thousand) and ¥1,930 million, respectively.

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

(3) Information on amounts of sales, profit (loss), assets and other items by reporting segment for the years ended March 31, 2014 and 2013 is summarized as follows:

	Millions of Yen							
	2014							
	Reporting Segment						Total	Reconciliations
Japan	North America	Europe	South Asia	East Asia				
Sales to customers	¥58,502	¥14,133	¥668	¥13,023	¥60,728	¥147,054	¥ —	¥147,054
Intersegment sales	3,905	33	5	1	5,636	9,580	(9,580)	—
Total sales	62,407	14,166	673	13,024	66,364	156,634	(9,580)	147,054
Segment expenses	57,802	14,192	668	11,245	59,694	143,601	(9,418)	134,183
Segment profit (loss)	4,605	(26)	5	1,779	6,670	13,033	(162)	12,871
Segment assets	78,443	6,884	541	13,081	73,684	172,633	(18,368)	154,265
Other items:								
Depreciation and amortization	1,485	85	2	96	569	2,237	—	2,237
Amortization of goodwill	—	98	—	—	—	98	—	98
Increase in property, plant and equipment and intangible assets	1,185	18	1	131	1,039	2,374	—	2,374

	Millions of Yen							
	2013							
	Reporting Segment						Total	Reconciliations
Japan	North America	Europe	South Asia	East Asia				
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

Thousands of U.S. Dollars (Note 1)								
2014								
Reporting Segment								
	Japan	North America	Europe	South Asia	East Asia	Total	Reconciliations	Consolidated
Sales to customers	\$567,981	\$137,214	\$6,485	\$126,437	\$589,592	\$1,427,709	\$ —	\$1,427,709
Intersegment sales	37,913	320	49	10	54,718	93,010	(93,010)	—
Total sales	605,894	137,534	6,534	126,447	644,310	1,520,719	(93,010)	1,427,709
Segment expenses	561,185	137,786	6,485	109,175	579,553	1,394,184	(91,436)	1,302,748
Segment profit (loss)	44,709	(252)	49	17,272	64,757	126,535	(1,574)	124,961
Segment assets	761,582	66,835	5,252	127,000	715,379	1,676,048	(178,330)	1,497,718
Other items:								
Depreciation and amortization	14,418	825	19	932	5,524	21,718	—	21,718
Amortization of goodwill	—	951	—	—	—	951	—	951
Increase in property, plant and equipment and intangible assets	11,505	175	10	1,272	10,087	23,049	—	23,049

(4) Information related to reporting segments

(A) Sales by geographical area are as follows:

Millions of Yen						
2014						
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	¥58,339	¥15,063	¥13,726	¥58,073	¥1,853	¥147,054

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

Thousands of U.S. Dollars (Note 1)						
2014						
	Japan	The Americas	South Asia	East Asia	Others	Total
Sales to customers	\$566,398	\$146,243	\$133,262	\$563,816	\$17,990	\$1,427,709

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

Millions of Yen						
2014						
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment	¥22,181	¥453	¥1,028	¥6,315	¥5	¥29,982

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

Thousands of U.S. Dollars (Note 1)						
2014						
	Japan	North America	South Asia	East Asia	Europe	Total
Property, plant and equipment	\$215,350	\$4,398	\$9,980	\$61,310	\$49	\$291,087

(5) Impairment loss on fixed assets by reporting segment is as follows:

	Millions of Yen								
	2014							Reconciliations	Consolidated
	Reporting Segment								
Japan	North America	Europe	South Asia	East Asia	Total				
Impairment loss on fixed assets	¥—	¥—	¥—	¥—	¥—	¥—	¥—	¥—	

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

	Thousands of U.S. Dollars (Note 1)								
	2014							Reconciliations	Consolidated
	Reporting Segment								
Japan	North America	Europe	South Asia	East Asia	Total				
Impairment loss on fixed assets	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	

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

	Millions of Yen								
	2014							Reconciliations	Consolidated
	Reporting Segment								
Japan	North America	Europe	South Asia	East Asia	Total				
Amortization of goodwill . . .	¥—	¥ 98	¥—	¥—	¥—	¥ 98	¥—	¥ 98	
Goodwill	—	717	—	—	—	717	—	717	

	Millions of Yen								
	2013							Reconciliations	Consolidated
	Reporting Segment								
Japan	North America	Europe	South Asia	East Asia	Total				
Amortization of goodwill . . .	¥—	¥ 82	¥—	¥—	¥—	¥ 82	¥—	¥ 82	
Goodwill	—	689	—	—	—	689	—	689	

	Thousands of U.S. Dollars (Note 1)								
	2014							Reconciliations	Consolidated
	Reporting Segment								
Japan	North America	Europe	South Asia	East Asia	Total				
Amortization of goodwill . . .	\$—	\$ 951	\$—	\$—	\$—	\$ 951	\$—	\$ 951	
Goodwill	—	6,961	—	—	—	6,961	—	6,961	

14. 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 fluctuations in foreign currency exchange rates. Foreign currency forward contracts are utilized to hedge the fluctuation risk, if necessary.

Investment securities, mainly equity securities of corporations with which the Companies have a business relationship, are exposed 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 mainly due within one year. A portion arising from the import of supplies is denominated in foreign currencies and is 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 for capital investments.

Derivatives consist of foreign currency forward contracts and interest rate swap contracts used to manage the market risk of fluctuations in foreign currency exchange rates and interests rates. These derivative transactions are limited to 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 15 for details regarding the fair value of derivatives.

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

	Millions of Yen					
	2014			2013		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets:						
Cash and deposits	¥41,212	¥41,212	¥ —	¥31,446	¥31,446	¥ —
Trade notes and accounts receivable . . .	42,117	40,968	(1,149)	31,039	30,280	(759)
Investment securities	5,105	5,105	—	4,154	4,154	—
Long-term loans	16	16	(0)	1,914	1,914	(0)
Total	¥88,450	¥87,301	¥(1,149)	¥68,553	¥67,794	¥(759)
Liabilities:						
Trade notes and accounts payable	¥17,019	¥17,019	¥ —	¥13,403	¥13,403	¥ —
Short-term debt	541	541	—	600	600	—
Long-term debt* ¹	1,779	1,772	(7)	1,542	1,540	(2)
Total	¥19,339	¥19,332	¥ (7)	¥15,545	¥15,543	¥ (2)
Derivatives*²:						
Derivatives without hedge accounting . . .	¥ 38	¥ 38	¥ —	¥ —	¥ —	¥ —
Derivatives with hedge accounting	(2)	(2)	—	—	—	—

Thousands of U.S. Dollars (Note 1)			
2014			
	Carrying amount	Fair value	Difference
Assets:			
Cash and deposits	\$400,117	\$400,117	\$ —
Trade notes and accounts receivable . . .	408,903	397,748	(11,155)
Investment securities	49,563	49,563	—
Long-term loans	155	155	(0)
Total	\$858,738	\$847,583	\$(11,155)
Liabilities:			
Trade notes and accounts payable	\$165,233	\$165,233	\$ —
Short-term debt	5,252	5,252	—
Long-term debt* ¹	17,272	17,204	(68)
Total	\$187,757	\$187,689	\$ (68)
Derivatives*²:			
Derivatives without hedge accounting . . .	\$ 369	\$ 369	\$ —
Derivatives with hedge accounting	(19)	(19)	—

*1 Long-term debt includes current portion of long-term debt.

*2 The assets and liabilities arising from derivatives are shown at the net value with the amount in parentheses representing net liability.

(Note) The methods described below are used 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 4.

4) Long-term loans:

The fair value is determined by discounting the cash flows of principal and interest related to the loans at an assumed rate based on their collectability and maturity.

Liabilities

1) Trade notes and accounts payable and 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.

3) Derivatives:

The information of the fair value for derivatives is included in Note 15.

(2) Financial instruments whose fair value cannot be reliably determined at March 31, 2014 and 2013 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Investment securities:			
Unlisted stocks	¥123	¥114	\$1,195
Other	—	95	—

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

(3) A maturity analysis for cash and deposits, trade notes and accounts receivable and long-term loans at March 31, 2014 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	¥41,212	¥ —	¥ —
Trade notes and accounts receivable	38,701	3,189	227
Long-term loans	2	14	—
Total	¥79,915	¥3,203	¥227

	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	\$400,117	\$ —	\$ —
Trade notes and accounts receivable	375,738	30,961	2,204
Long-term loans	19	136	—
Total	\$775,874	\$31,097	\$2,204

(Note) Annual maturities of long-term debt and lease obligations are included in Notes 7 and 9, respectively.

15. Derivative Financial Instruments

(1) Derivative transactions, to which hedge accounting is not applied, at March 31, 2014 and 2013 are as follows:

	Millions of Yen					
	2014			2013		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
Foreign currency forward contracts:						
Buying	¥3,335	¥38	¥38	¥—	¥—	¥—

	Thousands of U.S. Dollars (Note 1)		
	Contract amount	Fair value	Unrealized gain (loss)
2014			
Foreign currency forward contracts:			
Buying	\$32,379	\$369	\$369

(Note) The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

(2) Derivative transactions, to which hedge accounting is applied, at March 31, 2014 and 2013 are as follows:

	Millions of Yen					
	2014			2013		
	Contract amount	Due after one year	Fair value	Contract amount	Due after one year	Fair value
Foreign currency forward contracts:						
Buying	¥211	¥—	¥(2)	¥—	¥—	¥—

	Thousands of U.S. Dollars (Note 1)		
	2014		
	Contract amount	Due after one year	Fair value
Foreign currency forward contracts:			
Buying	\$2,049	\$—	\$(19)

(Note) The fair value of derivative transactions is measured at the quoted price obtained from the financial institution.

	Millions of Yen					
	2014			2013		
	Contract amount	Due after one year	Fair value	Contract amount	Due after one year	Fair value
Interest rate swap contracts:						
Variable interest received, fixed interest paid	¥572	¥286	¥—	¥261	¥—	¥—

	Thousands of U.S. Dollars (Note 1)		
	2014		
	Contract amount	Due after one year	Fair value
Interest rate swap contracts:			
Variable interest received, fixed interest paid	\$5,553	\$2,777	\$—

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

16. Stock options, etc.

(1) Expenses and accounts related to stock options

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2014	2013	2014
Selling, general and administrative expenses	¥36	—	\$350

(2) Contents, scale and changes in stock options

a) Contents of stock options

Resolution date	Person granted	Number of stock options by type of stock	Grant date	Vesting conditions	Service period	Exercise period
November 8, 2013	4 directors of the Company (excluding outside directors)	36,000 shares of common stock	November 25, 2013	—	—	From November 26, 2013 to November 25, 2043

b) Scale and changes in stock options

Stock options outstanding for the year ended March 31, 2014 are covered, and the number of stock options is converted into the number of shares.

Number of stock options

1st Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Before vesting (shares)					Vested (shares)				
	At the end of March 31, 2013	Granted	Lapsed	Vested	Unvested	At the end of March 31, 2013	Vested	Exercised	Lapsed	Unexercised
November 8, 2013	—	36,000	—	36,000	—	—	36,000	—	—	36,000

Unit price information

1st Stock Acquisition Rights of Fujitec Co., Ltd.

Resolution date	Exercise price (Yen)	Average stock price at the time of exercise (Yen)	Fair value as of the grant date (Yen)
November 8, 2013	1	—	1,016

(3) Evaluation method of fair value per unit of stock options for the year ended March 31, 2014

a) Appraisal method used

The Black-Scholes model

b) Main underlying figures and estimates

1st Stock Acquisition Rights of Fujitec Co., Ltd. (Stock-compensation-type Stock Options)
(Resolved at a meeting of its Board of Directors held on November 8, 2013)

Volatility* ¹	39.982%
Expected residual period* ²	15 years
Expected dividends* ³	¥16
Risk-free interest rate* ⁴	1.087%

*1 Estimated based on the stock price performance in 15 years (from November 25, 1998 to November 25, 2013).

*2 Calculated on the assumption that the stock acquisition rights would be exercised at the middle point of the exercise period.

*3 Actual cash dividends for the year ended March 31, 2013.

*4 Yield of Japanese government bonds with the same years to maturity as the above expected residual period.

(4) Method of estimating the number of vested stock options

All of the stock acquisition rights are vested when granted.

17. Subsequent Event

The following appropriation of retained earnings at March 31, 2014 was approved at the annual meeting of shareholders held on June 24, 2014:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash dividends	¥1,216	\$11,806

Independent Auditor's Report



Independent Auditor's Report

Grant Thornton Taiyo ASG LLC

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

We have audited the accompanying consolidated financial statements of Fujitec Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, 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, we consider 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, while the objective of the financial statement audit is 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 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 its consolidated subsidiaries as at March 31, 2014, and their consolidated financial performance and their 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, 2014 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.

Grant Thornton Taiyo ASG LLC
Osaka, Japan
June 25, 2014

Member of Grant Thornton International Ltd

Global Network

(As of March 31, 2014)

NORTH & SOUTH AMERICA

- 2 Fujitec America, Inc. ★ ◆
- 3 Fujitec Canada, Inc. ◆
- 4 Fujitec Venezuela C.A. ◇
- 5 Fujitec Argentina S.A. ◇
- 6 Fujitec Uruguay S.A. ◇
- 7 Fujitec Pacific, Inc. ◇

Global

20 Countries and 3 Regions

Consolidated subsidiaries: **18**

Production sites: **12**

Japan

Head Office and bases: **4**

Divisions and branches: **5**

Branch offices: **12**

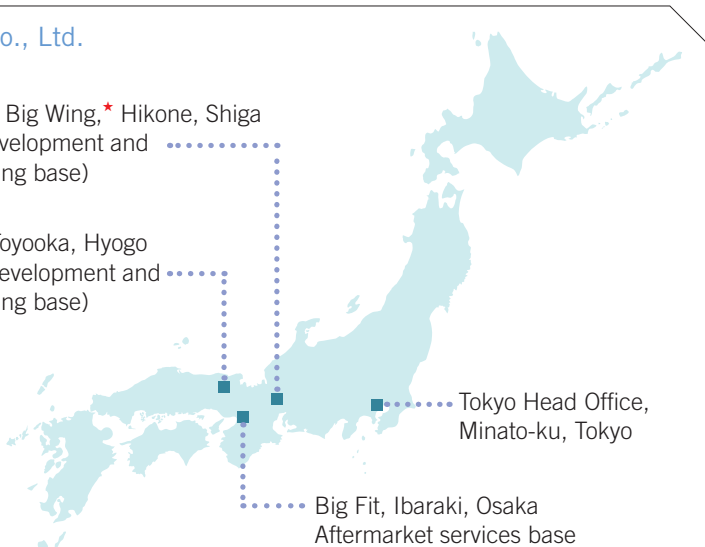
- : Production sites
- : Group companies and offices
- ★ : R&D centers
- ◆ : Consolidated subsidiaries
- ◇ : Non-consolidated subsidiaries
- ❖ : Affiliated companies

JAPAN

1 Fujitec Co., Ltd.

Head Office Big Wing, ★ Hikone, Shiga
(Elevator development and manufacturing base)

Big Step, ★ Toyooka, Hyogo
(Escalator development and manufacturing base)



Tokyo Head Office,
Minato-ku, Tokyo

Big Fit, Ibaraki, Osaka
Aftermarket services base



Japan: Big Wing

EAST ASIA

- 13 Fujitec (HK) Co., Ltd. ◆
- 14 Fujitec Taiwan Co., Ltd. ◆
- 15 Fujitec Korea Co., Ltd. ◆
- 16 Huasheng Fujitec Elevator Co., Ltd.* ◆
- 17 Shanghai Huasheng Fujitec Escalator Co., Ltd. ◆
- 18 Fujitec Shanghai Sourcing Center Co., Ltd. ◆
- 19 Fujitec Shanghai Technologies Co., Ltd.* ◇

EUROPE & MIDDLE EAST

- 8 Fujitec UK Ltd. ◆
- 9 Fujitec Deutschland GmbH ◆
- 10 Fujitec Saudi Arabia Co., Ltd. ❖
- 11 Fujitec Egypt Co., Ltd. ◇
- 12 Fujitec Co., Ltd. UAE (Dubai) Office ◆

SOUTH ASIA

- 20 Fujitec Singapore Corpn. Ltd.* ◆
- 21 FSP Pte. Ltd. ◆
- 22 Fujitec, Inc. ◇
- 23 Fujitec (Malaysia) Sdn. Bhd. ◆
- 24 P.T. Fujitec Indonesia ◆
- 25 Fujitec Vietnam Co., Ltd. ◇
- 26 Fujitec India Private Ltd. ◆
- 27 Fujitec (Thailand) Co., Ltd. ◆



Japan: Big Fit



Japan: Big Step



U.S.A.: Fujitec America, Inc.



China: Huasheng Fujitec Elevator Co., Ltd.



China: Shanghai Huasheng Fujitec Escalator Co., Ltd.



India: Fujitec India Private Ltd.

Shareholder Information

(As of March 31, 2014)

Total number of authorized shares (common stock)	300,000,000 shares
Total number of issued shares (common stock)	93,767,317 shares
Number of shareholders	3,149
Stock Exchange Listings	Tokyo Stock Exchange
Annual Meeting of Shareholders	The annual meeting of shareholders of the Company is held in June each year at 591-1, Miyatacho, Hikone, Shiga, Japan
Auditor	Grant Thornton Taiyo ASG LLC
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Business Office:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 4-5-33, Kitahama, Chuo-ku, Osaka, Japan

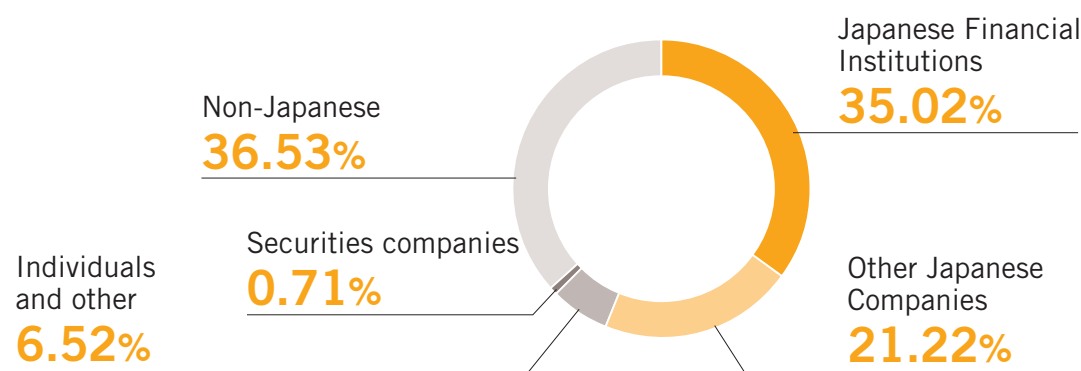
Major Shareholders

	Number of shares held (Thousands)	Shareholding ratio (%)
CGMI-CLIENT SAFEKEEP 418	13,752	14.69
Uchiyama International, Limited	9,099	9.72
Japan Trustee Services Bank, Ltd. (trust account)	5,379	5.75
The Master Trust Bank of Japan, Ltd. (trust account)	5,091	5.44
Fuji Electric Co., Ltd.	5,089	5.43
Resona Bank, Ltd.	4,203	4.49
MLPFS Custody Account	3,131	3.34
Japan Trustee Services Bank, Ltd. (trust account 4)	3,122	3.33
Mizuho Bank, Ltd.	1,989	2.12
The Chase Manhattan Bank, N.A. London S.L. Omnibus Account	1,794	1.91

Note 1) The shareholding ratios are calculated based on 93,552,668 shares, being the total number of issued shares as of March 31, 2014, (93,767,317) minus the number of treasury shares (214,649) on the same date.

Note 2) The shareholding of Japan Trustee Services Bank, Ltd. (trust account) includes 862,700 shares of the Employee Shareholders Association Support Trust ESOP.

Distribution of Shareholders



Company Data


(As of March 31, 2014)

Company name	Fujitec Co., Ltd.
Date of establishment	February 9, 1948
Paid-in capital	¥12,533,933,095
Line of business	Research and development, manufacture, marketing, installation and maintenance of elevators, escalators, moving walks, new transportation systems, etc.
Location	Head Office Big Wing: 591-1, Miyatacho, Hikone, Shiga, Japan Tokyo Head Office: 3-9-6 Mita, Minato-ku Tokyo
Consolidated subsidiaries	18
Employees	Consolidated: 8,539 (Japan: 2,714, Overseas: 5,825)

Fujitec on the Internet




Corporate website

 <http://www.fujitec.co.jp/english/index.html>



Facebook

 <https://www.facebook.com/fujitec.jp>

FUJITEC CO.,LTD.