

FCIJ BCS April 2008- Comments to Change in Business Performance

A lot more effort has gone into building direct relationships with retail and wholesale customers.

Additional demand on our services resulting from further legal regulations

Additional Experienced Senior Managers has joined our firm.

additional resources which allowed us to use our own efforts (Combination 1+2)

Advancement of Japanese deregulation

Aggressively adding new resources to back business expansion.

among our existing multi-national clients gained projects from additional divisions within their group for projects within Japan as well as overseas

As an importer and distributor of goods from overseas for sale to customers in Japan, the weak Yen has, until recently, been a major concern, making it difficult to win new business against local competition. Conversely, the rebound of the Yen in recent months has improved profitability on those orders that have continued to be fulfilled.

As an importer and distributor of products, the extreme weakness of the Japanese Yen in 2006 and 2007 squeezed margins and reduced our competitiveness vis a vis local suppliers. The strengthening of the Yen to more reasonable levels in recent months has reversed this situation to some extent.

As our company is very much depending on the market of newly constructed housings and mansions, we were negatively affected by the change in the building law after the Ageha case and the subsequent delays in issue of building permits.

As some of our major customers are Financial Institutions from the US we saw some serious decline in business

As we are changing our business model over the next 6 months we are not expecting immediate or near term growth.

because less business closing, everybody is holding back and is in a waiting situation

Being more strict and responsible on budget control.

booming global markets

business climate

business model change

By earning more retail floor space for our products, we are now in front of more customer eyes and hence the growth in sales.

By not having a clear policy, the business base is worried and therefore investment is declining and or stalled in a wait and see. No outlook on improvement. (Healthcare sector)

Capital Markets

Change in location

Change in Management and Products

Change in ownership

change of consumer credit law

choice and concentration

Clients' demand reduced

combination of our own efforts and the environment

Construction Industry decline

consumer attitudes

Continued growth in single malt whisky market, with associated high level of media activity

cost increases

Credit markets' instability

Decisions by customers

Decline in demand

Declining market size in our category. Price increases to distributors and customers. Weak yen rate is still hurting competitiveness.

Decrease in new housing

Decreasing construction investments

Demand for English lessons is declining, partly because of reduction of government subsidies, and partly because of the declining population of student age.

Developing new services for emerging markets

Difficult to cover the oil price increase due to tough competition in the market, therefore, our profitability is much squeezed

Direct Sales

diversification - now includes international services

diversification - now includes international services

During the second half of 2007 new housing construction starts declined dramatically by an average of abt. 35% due to revised regulations for building construction permissions, mainly related to stricter requirements on earthquake resistance. The new regulations could not be implemented easily, which caused major delays in processing new construction applications. As a result the woodworking industry, a major market for tooling systems to process building components as well as wooden interior, built-in furniture incl. system kitchens, suffered a decline in business.

Effect of alliance synergy

Efforts to expand pipeline and success has bred more success

Eliminating the intermediations

expanding to new industry sectors which are more robust

expenses

Fall off in demand

financial crisis
Financial markets
Financial regulation
Flow on from Sub-Prime mortgage issue and tightening of building codes
fuel charges
General Market Conditions
General Market conditions in Japan. Other foreign companies are more competitive thus creating harder market for us domestically as we are a supplier to Japanese companies.
general state of economy
Global credit crisis
Global economic concerns
Global expansion / slowdown
Global slow-down
Good luck
Growing market share, penetration, and efficiency
Growth in underlying market
happenstance
high oil price has been and will be a major reason for difficulty.
HIP revision
Identifying new opportunities
impact from sub-prime
Improvement of marketing and service delivery
improving processes and operations, sales efficiency
In addition to exchange rates a raw material prices (Finnish wood) has increased rapidly.
Increased Demand
increasing raw material costs
Industry is not affected currently. Major revenue driver is the need for regulatory compliance and companies need our services.
Introduction of smaller margins
Japan Bound FDI and general market conditions
Japan is a good, solid market
Japan keeping track with its reform
Japanese Government is quietly and steadily developing the Trinity reform as planned. A model of "keeping its commitment" rare in the present world turmoil.
lack of bilingual expertise
Lack of transactions involving foreign companies. Continuing decline of FDI and buying of Japanese securities by foreign companies.
Japan turning domestic again.
less capability of companies to invest
Less investment due to uncertainty about overall WW/Japan economy.
Long hard work eventually paying off.
low activities of JV partner
lower Healthcare reimbursements for medical devices
M&A
Mainly due to PR and marketing activities together with improvements in the training of our partners and backed up by a steadily strengthening team of employees.
Major savings in several key areas
Many reasons - change in competitive countries is also a major factor.
Market environment
Market is expanding all over the world.
Market movements, particularly financial
market share increase through service improvement costs cutting
Market size
Market size decline, competition
Market size for Commercial vehicles in Japan has declined and price competition has increased. Exchange rate movement has been slightly favourable for import to Japan but are pressuring business partners when exporting out of Japan.
markets
Massive impact of Euro/Yen exchange rate on cost of imported goods exerting huge pressure on margins
MBO and with new Business Plan to trade different line of products to our existing and newer clients. Different Suppliers adding 10times more variety to our lines in entry level price points compared with our previous model.
Merger with other company.
MHLW/PMDA
More competition and also the weak dollar.
More resources being directed towards Japan from company head office in US
Most of our business comes from referrals from satisfied clients and our people work hard to make sure that our stream of business is constant.

Most of raw material cost increased, but the exchange rate helped to absorb the increase of cost.

My business is very special one and its boom or decline has nothing to do with Japanese economy at this stage.

Negative market action and changes in the way distributors have to sell domestic mutual funds.

new industry focus

New product launch

New product launches and expanded organization.

New sales staff, address new industry sectors

New Upper Management

no 100% reflection of raw material price increase onto the product price

No clear policy from the government.

strong enough to compete in Japan at the same time as they put effort in China. Another reason is that the image of Japan as a market is not very good as it is as before considered difficult and also lately becoming more and more closed to the outside world. Old established Japanese companies and their management, with the help of the Japanese bureaucracy, are building up barriers to foreign companies.

oil price

Oil price increase

Our advanced emission control technology has contributed our growth of sales.

Our branch office is a recent start-up.

Our business (healthcare) depends on the approval of new products. The pipeline is relatively strong and the market remains relatively stable, if not growing.

Our company provides services like tax advisory, audit and advisory services. As a result of further regulations announced by Japanese authorities, the demand on our services is expected to increase.

our own effort over the past 4 years since we entered the market have resulted in a favorable reputation in the market and given us an advantage over competitors

Our revenue is based on bringing international tourists to Japan - so is much more dependent on external economies rather than the Japanese economy

Our work is dependent on the economic situation of our clients.

overall economy

overall economy slowed

Overseas demand seems to have been still strong.

Past industry investments

Perhaps Question 3 & 4 should not be added to the total since I am in the area of education and work for a research institution.

Please note that the above opinions are based on our company's global performance results.

Poor decision making and by parent organization based on bad management and failure to heed its subsidiary's inputs

price cuts

Price increase for raw materials

Rationalize supply chain

Recently established KK and employed people in sales, technical and logistic.

Recently we have seen much better exchange rates for USD/JPY and GBP/JPY

reduction of resource has balanced the profit against the forecasts for the short term. New pressure is being applied by existing resources for salary reviews

Regulation change

Reimbursement declines in medical devices.

re-organization of operations and administration

sales price is in U.S.\$

Services Industries as Executive Search for Investment Banking are highly affected by the credit crisis. Also the decline of Foreign Investors attention towards Japan and their disbelief in the ability to change is very much the case.

Since the company is still at initial stage, we are too early to be affected by the market.

Slow decision making process

Slow demand

Slow Down of Demand

Some of our major accounts are US based Financial Institutions declining to about 50% of last year's production

Staff re-allocation has not gone as planned and leadership at the top has been lacking.

Stock Market

Streamlined staffing and tighter cost controls

Streamlining fixed costs and increased sales volume.

Strong differentiation with competition and many actions to appeal the brand

Strong downturn in new housing starts

Strong global demand, including Japan

Sub-prime crisis

Subprime crisis in the U.S. is affecting willingness of foreign lenders to fund transactions, thereby inhibiting deal flow.

Subprime crisis shut down a lot of projects for our company that was in the works.

sub-prime fears driving a downward spiral

Subprime impact is raising some concerns.

sub-prime loan issue hitting to Japanese economy as "shrinking business mind " so that it influenced my business result.

Sub-prime loan related issues have impacted our investment activities.

SubPrime, Market Changes

success of strategy shift becoming evident

The collapse of number of funds in Japan due to a flow on of the Sub-Prime mortgage crisis in the US has caused the forced sale of a number of hotels and real estate developments by the funds and made money harder to borrow. This coupled with stricter building regulations has caused a slow down in construction and renovation work.

The firm is in process of establishing presence in Japan and only in the last 12 months, the results of the investment in the business started to show.

The market we serve is growing, and we have the right products to surf the wave perfectly. Our efforts has been to offer the right products at the right timing.

The weak yen versus currencies other than the US\$ have negatively impacted costs.

There is no real business transaction between Japan and foreign countries.

Total market decline

U.S Subprime related problems causing market volatility, the credit freeze and fall in the dollar

U.S. economic climate

Underlying market decline driven by changes in consumption patterns and demographic changes

Undertook a concerted drive to increase our client base in the face of dwindling revenue from existing clients.

US economy slump and oil price

US Subprime effected to Japanese bank's attitude for housing loan policy tightening. Also delay of new construction law hit demand of s.steel in the market.

US Subprime, Stagnant Capital Markets, Credit Problems

We acquired a company and a property both of which we had identified several opportunities to effect positive changes that would allow for a lot of gross profit to fall through to the bottom line. Since our ability to identify these opportunities and the ownness to execute the changes effectively fall directly upon the shoulders of each member of our executive team, I beleive the main reason behind recents changes in our business results is due primarily to 'Our own efforts'.

We aquired a japanese company last year which grew our business substantially

We are a relatively young company and following setup expenditure are now putting systems in place to reduce costs.

We are a wholesale distributor of U.S.manufactured building material and equipment. Our long business history in Okinawa and Japan and experience, coupled with our Seattle based Corporation experience has helped us to sustain and increased our customers. our capabilities.

we are in the international travel business space and the cost of fuel is de-railing travel abroad

We are in the service business and Japanese customers are holding off on spending.

We are in venture capital space. less potential LPs are in a position to invest in venture these days; more people are taking a wait and see attitude during the sub prime mess.

We are now aggressively seeking new customers

We are now investing more in Japan from a very low base

We are riding the IT outsourcing trend, by positioning ourselves as an IT operations outsourcing partner.

We are sellingwell and customers are keen to get our product

WE BELIVE IN THE POLICY OF SELF HELP OR GOD HELP THOSE THAT HELP THEMSELVES.

We depend on the flow of M&A transactions in Japan and elsewhere

We feel there was an overall decline in all business activity / transactions during the first quarter.

We have been particularly proactive in soliciting new business partners while building our product offering to exisiting distributors. The continued economic squeeze is making once insular companies more open-minded in their dealings with foreign manufacturers such as ourselves, particularly as we guarantee product quality coming from low-cost sources.

We have enetered the market recetnly so all changes are a result of our hard work so far.

We have managed to build a reputation for particular services and expect to be able to continue to leverage that niche.

We have to improvise with the changing economy, and we have managed to stay ahead by being aware of these changes.

we import from Europe and can not pass the increased price to the market due to the local competition

we just started business in last july, our situation is improving little by little as we find new business partners to provide international communication services

We provide our clients with very special services that no other companies can provide. (Our client won the case with the Ministry of Finance.)

We sell aluminium, for various economical sectors, which reflects the overall economy

We were awarded significant new business based on our strong efforts.

We WERE the largest financial conglomerate and not subsequent to the reason.

Weak consumer confidence

weak securities markets