



Semiannual Report 2007

Six months ended September 30, 2007

Regeneration for Quality

FUJITEC



» Consolidated Financial Highlights

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2007 and 2006

	Millions of yen		Thousands of U.S. dollars	Percent change
	2007	2006	2007	2007/2006
For each period:				
Net sales	¥ 49,065	¥ 46,904	\$ 426,652	+4.6%
Domestic	20,347	19,272	176,930	+5.6%
Overseas	28,718	27,632	249,722	+3.9%
Operating income	1,751	1,887	15,226	-7.2%
Net income	1,157	633	10,061	+82.7%
At the end of each period:				
Total assets	¥ 118,093	¥ 113,939	\$ 1,026,896	+3.6%
Net assets	72,695	64,209	632,130	+13.2%
Per share of common stock:				
Net income	¥ 12.36	¥ 6.76	\$ 0.11	+82.8%
Interim cash dividends	5.00	5.00	0.04	—

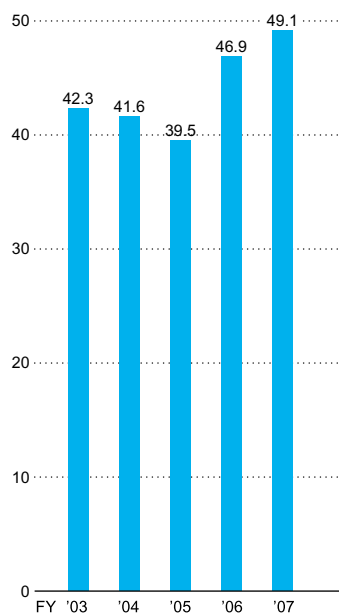
Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥115 to U.S. \$ 1.

2. Net income per share amounts are computed based on the weighted average number of shares outstanding during each period.

3. The amounts of total assets and net assets in 2006 in the Consolidated Financial Highlights differ from those in the Consolidated Balance Sheets on pages 10 and 11, because the figures in the Consolidated Financial Highlights represent amounts as they stood as of September 30, 2006, while those in the Consolidated Balance Sheets are as of March 31, 2007.

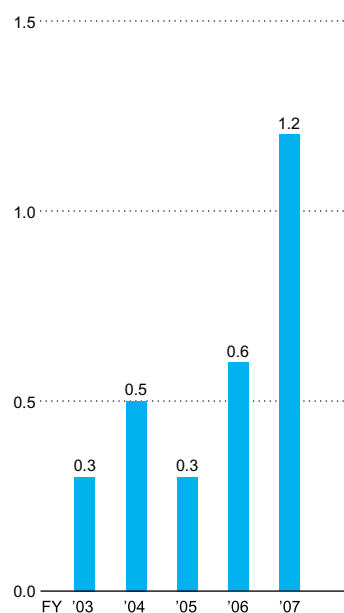
Net sales

(Billion ¥)



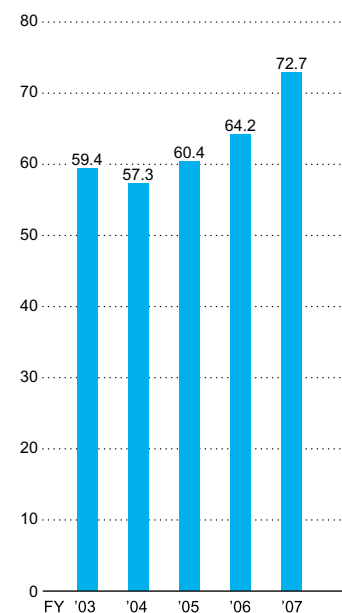
Net income

(Billion ¥)



Net assets

(Billion ¥)



Note: The amounts of net assets for 2003-2005 have been reclassified in order to correspond to the presentation of those after September 30, 2006.

(Six-month periods ended September 30)

» To Our Shareholders

This report outlines our business activities and financial results for the interim period ended September 30, 2007.

During the interim period, the global economy remained strong overall. Although the US economy showed some signs of a business slowdown due to stagnation in the residential market, the Chinese economy sustained high growth along with other Asian nations and the EU. In addition, the Japanese economy enjoyed a moderate expansion led by private demand. This increase can be attributed to a continued increase in capital investment against the backdrop of favorable corporate sector's performance.

In the elevator and escalator industry, although demand for apartment buildings in the North American market declined, there was strong demand for office buildings and commercial facilities. In Asia, vigorous demand continued, particularly for apartment buildings in the Chinese market, and a recovery of demand and economic expansion were seen even in South Asia. In

the Japanese market, demand for condominiums was firm, and we saw signs of recovery in demand for commercial complexes and the like. Still, severe price competition continued in every market, which created unfavorable conditions in terms of profitability when combined with rising prices for raw materials.

Under such circumstances, Fujitec aggressively pursued sales in rapid response to market needs, resulting in a consolidated total value of orders received during the interim period of ¥55,241 million, up 8.3% from the same period of the previous year, and consolidated net sales of ¥49,065 million, up 4.6% from one year earlier. In terms of consolidated profit, with a profit decline in East Asia, operating income dropped 7.2% year on year to ¥1,751 million.



» To Our Shareholders

In special items, Fujitec recorded ¥397 million in direct costs required for elevator steel member repairs, but as a result of reduced loss from a write-down of investment securities and other factors, our net income during the interim period totaled ¥1,157 million, an increase of 82.7% from one year earlier.

Under our mid-term management plan, "Regeneration for Quality," which went into effect this fiscal year, Fujitec endeavors to supply products and services that put top priority on safety and security. We will make every effort in all of our corporate activities to live up to the unflagging trust that customers have in Fujitec. We hope that our shareholders continue to provide us with their earnest support.

November 2007



Takakazu Uchiyama
President and Chief Executive Officer

» Outline of Major Activities

North & South Americas

America's leading newspaper, the New York Times, completed the New York Times Tower in New York City. The tower will serve as its new head office. The 350 meter skyscraper stands 52 stories high and houses 32 elevators, including ultra high-speed models that travel up to 480 meters per minute.

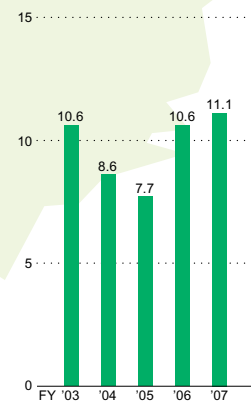
Fujitec also received an order for a total of 58 elevators and escalators for the New Meadowlands Stadium, the new home for the New York Giants' football team.

In Canada, an order was received for elevators and escalators for Jamieson Place, a 37-story, state-of-the-art office building being built in downtown Calgary.



New York Times Tower

Sales in the Americas
(Billion ¥)



East Asia

In China's capital city of Beijing, construction is progressing on Line 4 of the Beijing subway, which runs north-south through the city. The line will reach a total length of 28.16 km and have 24 stations. Fujitec landed a major order for 104 escalators for this project.

In the international city of Shanghai, we were contracted to install 28 elegantly decorated elevators at The Peninsula Shanghai, a new 5-star hotel by a world-class luxury hotel chain observing both traditions and formalities.

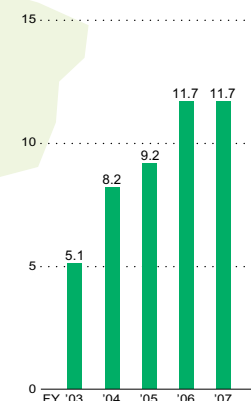
In Hong Kong, the 72-story Union Square super high-rise complex building has been completed.

In this building, a total of 32 high-speed elevators and escalators are in operation. In addition, Fujitec has won an order for 26 elevators and escalators, including ultra high-speed elevators for a 41-story high-rise office building located in the Kowloon Bay district.



Rendering of Line 4 of the Beijing Subway

Sales in East Asia
(Billion ¥)



» Outline of Major Activities

South Asia

In Singapore, we have received an order for 61 elevators, escalators and autowalks (moving walkways) for City Square Mall, a major commercial complex, as well as an order for 28 elevators and escalators for the large-scale residential project the Clematis.

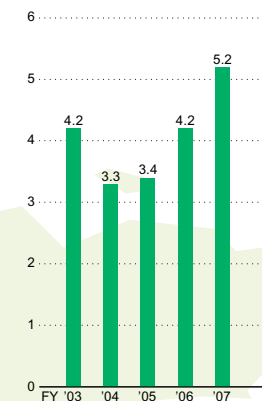
In India, the world-renowned Four Seasons Hotel Mumbai is nearing completion, which will have eight of our luxury elevators.



Jaya Jusco Bukit Tinggi

In Malaysia, Fujitec will supply 79 elevators, escalators, and autowalks for Jaya Jusco Bukit Tinggi, one of Southeast Asia's largest commercial complexes.

Sales in South Asia
(Billion ¥)



Outline of Major Activities

Europe

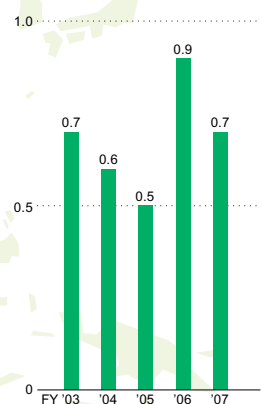
Twenty-eight Fujitec elevators have been installed at a newly completed train station in England. The station is located on the rail line running through the Channel Tunnel between England and France.

In the Middle East, Burj Dubai Square in the United Arab Emirates has been completed and 36 Fujitec elevators are in service. Furthermore, we received an order for 32 elevators and escalators for the monorail stations to be built on Dubai's artificial island, the Palm Jumeirah.



Burj Dubai Square

Sales in Europe
(Billion ¥)



Japan

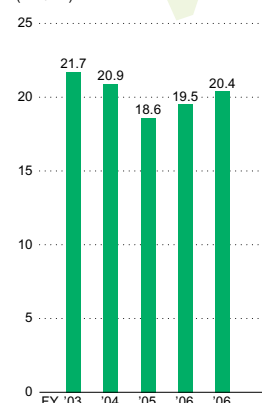


Hamachidori-no-yu Kaishu

Fujitec received an order for 67 elevators and escalators for Aeon Koshigaya, one of Japan's largest commercial complexes to be built in the City of Koshigaya in Saitama Prefecture, and an order for 45 elevators and escalators for Youme Town Hiroshima, the largest shopping center in the City of Hiroshima.

A total of 12 Fujitec elevators and escalators are in service at the Kotocross Hankyu Kawaramachi commercial complex in Kyoto, along with seven Fujitec elevators operating in the luxury Japanese-style inn, Hamachidori-no-yu Kaishu in Wakayama Prefecture.

Sales in Japan
(Billion ¥)



Strengthening quality and information control systems to prevent future acceptance of substandard steel products!

In response to the discovery that 560 Fujitec elevators had insufficient strength due to the use of inappropriate steel products, a company-wide initiative commenced on July 14, 2007 to conduct reinforcement work for the identified elevators. Such strength assurance measures are now nearly complete.

Fujitec takes this situation very seriously and used this opportunity to reaffirm our social responsibility as a manufacturer. Executives and employees alike have joined together to thoroughly implement quality control and further build and strengthen our internal preventive control systems.

For example, when purchasing steel plates in the future, we will choose suppliers who can offer superior traceability (manufacturing records) and we will require the submission of a mill sheet (inspection certificate) for each delivery of materials

and a standard steel sheet cutting certificate. In addition, for an internal inspection system, we have introduced high-precision testing equipment, and will periodically carry out steel plate componential analysis, hardness tests, and tensile strength tests. We also utilize the Industrial Research Center of Shiga Prefecture as an external testing organization. Additionally, we will establish a system that enables us to record and review the details and results of negotiations with business partners, further reinforce our operational checking system; review our order placement process, build an information supply system for emergency situations, and implement an education and training system for all employees. We will continue to supply elevators and escalators while pursuing top-notch performance and quality under our basic principle as a manufacturer with top priority placed on "safety and security."



Steel plate componential analysis using high-precision testing equipment

» New Products

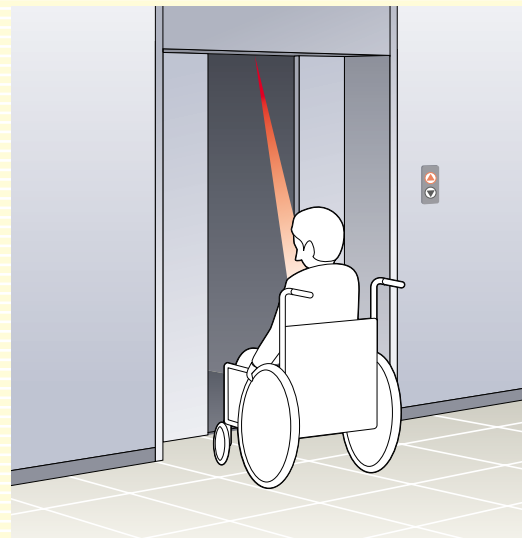
Further improving the safety functions of elevators and escalators!

Fujitec has further improved the safety features of our elevators and escalators to equally ensure both the safety and ease of operation for all passengers. For example, to protect people when elevator doors open and close, multiple types of sensors have been incorporated into the door opening: a sensor that emits infrared beams towards the door pockets located at both sides of the cab door and prevents doors from retracting into the door pockets if beams are blocked; a photoelectric type multiple beam sensor that prevents objects from getting caught when the doors close; and 3-D sensors mounted facing the elevator lobby, which further improve the level of safety when passengers enter the elevator. As an earthquake measure, Fujitec has developed a system that receives emergency earthquake flash reports from the Japan Meteorological Agency and stops the elevator automatically at the nearest floor before the arrival of the destructive main tremors.

This system will minimize the risk that any passengers will become trapped in an elevator.

In addition, our escalators have dress guards that can be mounted on existing escalators between the step and skirt guard to prevent objects such as shoes or loose clothing from being pinched in a gap. We have also newly developed a

step descent prevention device that mechanically holds escalator steps in place so that an escalator can be used for evacuation in the event of emergency. In these and other ways, Fujitec is taking measures to ensure safety in times of emergency.



Photoelectric door sensor



Escalator dress guard

» Financial Section

Consolidated Financial Review

Operating Results

During the six-month period ended September 30, 2007, consolidated orders received rose 8.3% year on year to ¥55,241 million (US\$480 million). This was due to an 11.0% increase in overseas orders, reflecting a sharp rise in orders in South Asia, and a 5.1% increase in domestic orders thanks to firm demand for high-rise condominium buildings, large multi-purpose commercial facilities and other structures.

Consolidated net sales increased 4.6% year on year to ¥49,065 million (US\$427 million). Domestic sales were up 5.6%, while overseas sales rose 3.9%, mainly reflecting steady growth in South Asia and North America and a boost from the depreciation of Japanese yen.

Orders in hand at September 30, 2007 were ¥105,215 million (US\$915 million), increasing 8.9% from March 31, 2007.

Operating income decreased 7.2% year on year to ¥1,751 million (US\$15 million), mainly due to a drop in earnings in East Asia, despite earnings growth in Japan and South Asia and smaller losses in North America and Europe.

Income before income taxes and minority interests rose 27.1% year on year to ¥1,823 million (US\$16 million), mainly as a result of special gains due to decreases in write-downs of investment securities, which was partly offset by ¥397 million (US\$3 million) in direct costs for elevator reinforcement work.

Net income increased 82.7% year on year to ¥1,157 million (US\$10 million) as income taxes declined due to a reduction in deferred tax adjustments and minority interests decreased in line with lower earnings in East Asia.

Financial Position

Total assets as of September 30, 2007 were ¥118,093 million (US\$1,023 million), a decrease of ¥4,796 million from March 31, 2007.

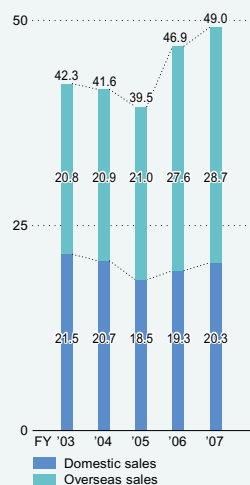
Current assets decreased ¥4,316 million from the previous fiscal year-end. This was mainly due to a decrease in trade notes and accounts receivable in Japan and a reduction in other current assets following collection of remaining proceeds from the sale of land of the former Osaka Plant. These decreases were partly offset by an increase in inventories, owing to an increase in the orders in hand.

Investment securities declined ¥1,065 million from March 31, 2007, mainly due to a decrease in net unrealized gains.

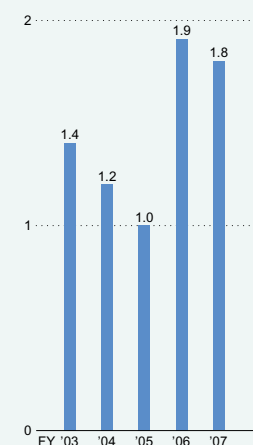
Total liabilities as of September 30, 2007 were ¥45,398 million (US\$395 million), a decrease of ¥5,705 million from March 31, 2007. Current liabilities were down ¥5,559 million from the previous fiscal year-end, mainly because of a decrease in short-term debt in Japan and North America. Long-term liabilities decreased ¥146 million from March 31, 2007 due to a reduction in deferred income taxes and other factors.

Net assets were ¥72,695 million (US\$632 million), an increase of ¥909 million from March 31, 2007. This mainly reflected a smaller deduction of foreign exchange translation adjustments in net assets in line with the Japanese yen's depreciation. The equity ratio, excluding minority interests, was 57.3%, up 3.0 points from March 31, 2007.

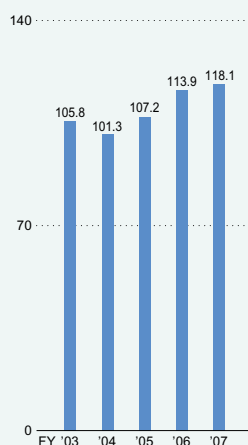
Domestic sales and overseas sales
(Billion ¥)



Operating income
(Billion ¥)



Total assets
(Billion ¥)



Cash Flows

Net cash provided by operating activities was ¥877 million (US\$8 million). This mainly reflected income before income taxes and minority interests of ¥1,823 million (US\$16 million) and depreciation and amortization of ¥1,135 million (US\$10 million). These components were partly offset by an increase in inventories in line with projected sales growth in the second half and payment of income taxes.

Net cash used in investing activities was ¥1,012 million (US\$9 million). The main uses of cash were ¥2,287 million (US\$20 million) for a net increase in time deposits (with a deposit term of over three months) and ¥1,914 million (US\$17 million) for acquisitions of property, plant and equipment. These cash outflows were partly offset by proceeds of ¥3,333 million (US\$29 million) from the sale of property, plant and equipment.

Net cash used in financing activities was ¥6,625 million (US\$58 million). Cash was used mainly for the repayment of short-term debt, payment of interest, and cash dividends paid.

As a result of the foregoing, cash and cash equivalents totaled ¥12,502 million (US\$109 million), ¥6,334 million (US\$55 million) less than at the previous fiscal year-end.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2007	March 31 2007	September 30 2007
ASSETS			
Current assets:			
Cash and cash equivalents.....	¥ 12,502	¥ 18,836	\$ 108,713
Time deposits.....	6,966	4,481	60,574
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates.....	225	100	1,957
Other.....	28,072	29,884	244,104
Allowance for doubtful accounts.....	(453)	(435)	(3,939)
	<u>27,844</u>	<u>29,549</u>	<u>242,122</u>
Inventories.....	21,366	16,965	185,791
Deferred income taxes.....	666	468	5,791
Other current assets.....	2,173	5,534	18,896
Total current assets.....	<u>71,517</u>	<u>75,833</u>	<u>621,887</u>
Investments and advances:			
Investments in Unconsolidated subsidiaries and affiliates.....	1,650	1,290	14,348
Investment securities.....	7,000	8,065	60,870
Advances.....	1,934	1,931	16,817
	<u>10,584</u>	<u>11,286</u>	<u>92,035</u>
Property, plant and equipment, at cost:			
Buildings.....	23,604	23,081	205,252
Machinery and equipment.....	17,376	16,739	151,096
	<u>40,980</u>	<u>39,820</u>	<u>356,348</u>
Accumulated depreciation.....	(19,431)	(18,156)	(168,965)
	<u>21,549</u>	<u>21,664</u>	<u>187,383</u>
Land.....	6,992	6,964	60,800
Construction in progress.....	547	480	4,756
	<u>29,088</u>	<u>29,108</u>	<u>252,939</u>
Other assets:			
Deferred income taxes.....	71	69	617
Goodwill.....	2,369	2,237	20,600
Intangible assets.....	1,975	1,929	17,174
Other.....	2,489	2,427	21,644
	<u>¥118,093</u>	<u>¥122,889</u>	<u>\$ 1,026,896</u>

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2007	March 31 2007	September 30 2007
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term debt	¥ 8,115	¥ 13,140	\$ 70,565
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	41	58	357
Other	12,389	12,479	107,731
Advances from customers	7,961	6,161	69,226
Accrued income taxes	817	807	7,104
Accrued bonuses	371	1,230	3,226
Provision for losses on contracts	1,273	1,123	11,070
Other current liabilities	5,996	7,524	52,139
Total current liabilities	36,963	42,522	321,418
Long-term debt	2,210	1,805	19,218
Deferred income taxes	1,133	1,584	9,852
Accrued pension and severance payments	5,092	5,192	44,278
Total liabilities	45,398	51,103	394,766
Contingent liabilities (Note 3)			
Net assets:			
Shareholders' equity			
Common stock, no par value;			
Authorized: 300,000,000 shares			
Issued and outstanding:			
93,767,317 shares	12,534	12,534	108,991
Additional paid-in capital	14,566	14,566	126,661
Retained earnings	48,116	47,622	418,400
Treasury stock at cost: 162,016 shares at September 30, 2007 and 153,577 shares at March 31, 2007	(113)	(106)	(983)
Total	75,103	74,616	653,069
Valuation and translation adjustments			
Net unrealized gains on securities	2,234	2,917	19,426
Deferred gain on hedge transactions	1	—	9
Foreign currency translation adjustments	(9,612)	(10,756)	(83,583)
Total	(7,377)	(7,839)	(64,148)
Minority interests	4,969	5,009	43,209
Total net assets	72,695	71,786	632,130
	¥118,093	¥122,889	\$1,026,896

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Net sales	¥ 49,065	¥ 46,904	\$ 426,652
Cost and expenses:			
Cost of sales	39,591	37,688	344,269
Selling, general and administrative expenses	7,723	7,329	67,157
	47,314	45,017	411,426
Operating income	1,751	1,887	15,226
Other income (expenses):			
Interest and dividend income	624	536	5,426
Interest expense	(256)	(208)	(2,226)
Foreign currency exchange gain	43	76	374
Other, net	55	107	478
	466	511	4,052
Special items:			
Gain on sales of property, plant and equipment	1	11	9
Loss on disposal and sales of property, plant and equipment	(6)	(506)	(52)
Gain on sales of investment securities	4	1	34
Write-down of investment securities	(6)	(416)	(52)
Reversal of allowance for doubtful accounts	10	—	87
Loss from reinforcement work for products	(397)	—	(3,452)
Reversal of loss on impairment of long-lived assets	—	38	—
Other, net	—	(92)	—
	(394)	(964)	(3,426)
Income before income taxes and minority interests	1,823	1,434	15,852
Income taxes:			
Current	666	291	5,791
Deferred	(182)	261	(1,583)
	484	552	4,208
Income before minority interests	1,339	882	11,644
Minority interests in income of consolidated subsidiaries	182	249	1,583
Net income	¥ 1,157	¥ 633	\$ 10,061
Per share:			
Net income, based on the weighted average number of shares outstanding	¥ 12.36	¥ 6.76	\$ 0.11
Cash dividends, applicable to the period	5.00	5.00	0.04

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2007 and 2006

	Thousands	Millions of Yen								
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Deferred gain on hedge transactions	Foreign currency translation adjustments	Minority interests	Total net assets
Balance at March 31, 2006 ...	93,767	¥12,534	¥14,566	¥41,344	¥ (94)	¥ 3,676	¥ —	¥(11,473)	¥ —	¥60,553
Reclassified balance at March 31, 2006 ...	—	—	—	—	—	—	—	—	4,595	4,595
Net income.....	—	—	—	633	—	—	—	—	—	633
Cash dividends	—	—	—	(468)	—	—	—	—	—	(468)
Bonuses to directors and corporate auditors	—	—	—	(26)	—	—	—	—	—	(26)
Staff and workers' bonus and welfare fund.....	—	—	—	(5)	—	—	—	—	—	(5)
Treasury stock acquired, net ...	—	—	—	—	(4)	—	—	—	—	(4)
Other changes	—	—	—	—	—	(518)	—	(473)	(78)	(1,069)
Balance at September 30, 2006 ...	93,767	¥12,534	¥14,566	¥41,478	¥ (98)	¥ 3,158	¥ —	¥(11,946)	¥ 4,517	¥64,209
Balance at March 31, 2007 ...	93,767	¥12,534	¥14,566	¥47,622	¥(106)	¥ 2,917	¥ —	¥(10,756)	¥ 5,009	¥71,786
Net income.....	—	—	—	1,157	—	—	—	—	—	1,157
Cash dividends	—	—	—	(655)	—	—	—	—	—	(655)
Staff and workers' bonus and welfare fund.....	—	—	—	(6)	—	—	—	—	—	(6)
Treasury stock acquired, net ...	—	—	—	—	(7)	—	—	—	—	(7)
Decrease by a newly consolidated subsidiary	—	—	—	(2)	—	—	—	—	—	(2)
Other changes	—	—	—	—	—	(683)	1	1,144	(40)	422
Balance at September 30, 2007 ...	93,767	¥12,534	¥14,566	¥48,116	¥(113)	¥ 2,234	¥ 1	¥(9,612)	¥ 4,969	¥72,695

	Thousands	Thousands of U.S. Dollars (Note 1)								
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Net unrealized gains on securities	Deferred gain on hedge transactions	Foreign currency translation adjustments	Minority interests	Total net assets
Balance at March 31, 2007 ...	93,767	\$108,991	\$126,661	\$414,104	\$(922)	\$25,365	\$ —	\$(93,531)	\$43,558	\$624,226
Net income.....	—	—	—	10,061	—	—	—	—	—	10,061
Cash dividends	—	—	—	(5,696)	—	—	—	—	—	(5,696)
Staff and workers' bonus and welfare fund.....	—	—	—	(52)	—	—	—	—	—	(52)
Treasury stock acquired, net ...	—	—	—	—	(61)	—	—	—	—	(61)
Decrease by a newly consolidated subsidiary	—	—	—	(17)	—	—	—	—	—	(17)
Other changes	—	—	—	—	—	(5,939)	9	9,948	(349)	3,669
Balance at September 30, 2007 ...	93,767	\$108,991	\$126,661	\$418,400	\$(983)	\$19,426	\$ 9	\$(83,583)	\$43,209	\$632,130

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Cash flows from operating activities:			
Income before income taxes and minority interests.....	¥ 1,823	¥ 1,434	\$ 15,852
Depreciation and amortization	1,135	992	9,870
Loss on disposal and sales of property, plant and equipment.....	6	506	52
(Decrease) increase of allowance for doubtful accounts.....	(20)	32	(174)
Decrease of bonuses to employees.....	(904)	(709)	(7,861)
Provision for losses on contracts	112	117	974
Interest and dividend income.....	(624)	(536)	(5,426)
Interest expense	256	208	2,226
Write-down of investment securities	6	416	52
Decrease in trade notes and accounts receivable.....	2,642	2,047	22,974
Increase in inventories.....	(4,038)	(1,421)	(35,113)
(Decrease) increase in trade notes and accounts payable.....	(420)	256	(3,652)
Increase in advances from customers.....	1,539	1,000	13,382
Bonuses paid to directors and corporate auditors	—	(26)	—
Other, net.....	(61)	(1,828)	(530)
Sub-total.....	1,452	2,488	12,626
Payment of benefits for employees' early retirement program	—	(1,157)	—
Payment of income taxes	(575)	(442)	(5,000)
Net cash provided by operating activities.....	877	889	7,626
Cash flows from investing activities:			
Increase in time deposits, net.....	(2,287)	(161)	(19,887)
Acquisitions of property, plant and equipment	(1,914)	(4,025)	(16,643)
Proceeds from sale of property, plant and equipment	3,333	57	28,983
Payment for purchase of investment securities.....	(1)	(31)	(9)
Investment in unconsolidated subsidiary	(248)	—	(2,157)
Collections on advances	7	1,770	61
Proceeds from interest and dividend income	627	494	5,452
Other, net	(529)	(216)	(4,600)
Net cash used in investing activities.....	(1,012)	(2,112)	(8,800)
Cash flows from financing activities:			
(Decrease) increase in short-term debt, net.....	(5,297)	1,579	(46,061)
Payment of interest	(296)	(171)	(2,574)
Cash dividends paid.....	(655)	(468)	(5,696)
Cash dividends paid to minority shareholders	(370)	(297)	(3,217)
Other, net.....	(7)	(5)	(61)
Net cash (used in) provided by financing activities	(6,625)	638	(57,609)
Effect of exchange rate changes on cash and cash equivalents	409	(365)	3,557
Net decrease in cash and cash equivalents	(6,351)	(950)	(55,226)
Cash and cash equivalents at beginning of period	18,836	19,670	163,791
Cash and cash equivalents increased by a newly consolidated subsidiary	17	—	148
Cash and cash equivalents at end of period	¥ 12,502	¥ 18,720	\$ 108,713

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2007 and 2006

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Fujitec Co., Ltd. (the "Company") and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Director of the Kanto Local Finance Bureau, as required by the Financial Instrument and Exchange Law of Japan, in conformity with accounting principles and practices generally accepted in Japan.

For the purpose of this Semiannual Report, certain reclassifications have been made to the consolidated financial statements issued domestically, in order to present these statements in a form which is more familiar to readers of these statements outside Japan. However, such reclassifications have no effect on net income or retained earnings.

The United States dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen into United States dollars on a basis of ¥115=U.S. \$1, the approximate effective rate of exchange at September 30, 2007. The inclusion of such United States dollar amounts is solely for convenience and is not intended to imply that Japanese yen, and assets and liabilities originating in Japanese yen, have been or could be readily converted, realized or settled in United States dollars at ¥115=U.S. \$1 or at any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the following seventeen significant subsidiaries (together the "Companies").

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

The accounts of Fujitec, Inc. (Philippines) were newly included in consolidation, effective January 1, 2007, due to an acquisition of the major ownership by Fujitec Singapore Corpn. Ltd., consolidated subsidiary.

The interim closing date of the above consolidated subsidiaries is June 30.

In preparing the consolidated financial statements, using consolidated subsidiaries' accounts, based on their own interim closing dates, the necessary adjustments were made for the significant intercompany transactions incurred from the consolidated subsidiaries' interim 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) Accounting Principles

The semiannual consolidated financial statements are prepared in accordance with the same accounting principles as those listed in the Notes to Consolidated Financial Statements for the fiscal year ended March 31, 2007, except for the following:

(1) Change in accounting policy

According to an amendment of the Japanese Corporation Tax Law, the Company depreciates the acquisition cost of property, plant and equipment acquired on or after April 1, 2007 to the nominal value of 1 yen at the end of the asset's useful life. As for the property, plant and equipment acquired on or before March 31, 2007, the Company depreciates the assets with the depreciation limit to the nominal value of 1 yen in equal installments from the fiscal year that starts on and after April 1, 2007. The effects of those changes are immaterial.

(2) Supplemental information

Provisions for warranty of completed contracts - Owing to an increase in the estimated cost of free-of-charge warranty for the period under review, the Company has changed its method of accounting for provisions for warranty of completed contracts from recognition of previously one-thousandth of the contract revenue to recognition of the estimated cost of free-of-charge warranty expected in the future relative to the contract revenue. As a result of this change, compared with the previous method, cost of sales increased by ¥122 million (U.S. \$1,061 thousand) and operating income decreased by the same amount, and income before income taxes and minority interests decreased by ¥315 million (U.S. \$2,739 thousand).

Severance payments to directors and corporate auditors - The Company has in the past accrued the unfunded retirement liability for a lump-sum benefit to directors and corporate auditors of the Company based on the established guidelines. However, the annual meeting of shareholders held on June 27, 2007 resolved to abolish the retirement benefit plan for directors and corporate auditors as of the meeting date, and further resolved to make severance payments corresponding to their terms of office up to June 27, 2007 to all directors and corporate auditors currently in office at the time of their retirement.

Consequently, accrued severance payments to directors and corporate auditors amounting to ¥433 million (U.S. \$3,765 thousand), were reclassified as other current liabilities of ¥27 million (U.S. \$235 thousand) and long-term debt of ¥406 million (U.S. \$3,530 thousand) in the accompanying balance sheet as of September 30, 2007.

3. Contingent Liabilities

At September 30, 2007, contingent liabilities were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Guarantees of bank loans	¥ 15	\$ 130

4. Subsequent Events

On November 6, 2007, the Board of Directors of the Company declared interim cash dividends of ¥468 million (U.S. \$4,070 thousand), or ¥5 (U.S. \$0.04) per share, to be paid on December 3, 2007, to shareholders.

5. Segment Information

Information by geographical area for the six-month periods ended September 30, 2007 and 2006 is summarized as follows:

(A) Geographical segment information

(1) Operating income(loss):

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
Japan			
Net sales: Customers	¥ 20,412	¥ 19,469	\$ 177,496
Intersegment	1,768	2,403	15,374
	22,180	21,872	192,870
Operating expenses.....	21,535	21,364	187,261
Operating income	645	508	5,609
North America			
Net sales: Customers	11,137	10,639	96,843
Intersegment	15	14	131
	11,152	10,653	96,974
Operating expenses.....	11,236	10,823	97,704
Operating loss	(84)	(170)	(730)
Europe			
Net sales: Customers	665	915	5,782
Intersegment	7	26	61
	672	941	5,843
Operating expenses.....	670	954	5,826
Operating income(loss).....	2	(13)	17
South Asia			
Net sales: Customers	5,140	4,162	44,696
Intersegment	128	136	1,113
	5,268	4,298	45,809
Operating expenses.....	4,777	3,906	41,539
Operating income	491	392	4,270
East Asia			
Net sales: Customers	11,711	11,719	101,835
Intersegment	561	599	4,878
	12,272	12,318	106,713
Operating expenses.....	11,561	11,066	100,531
Operating income	711	1,252	6,182
Total			
Net sales: Customers	¥ 49,065	¥ 46,904	\$ 426,652
Intersegment	2,479	3,178	21,557
	51,544	50,082	448,209
Elimination	(2,479)	(3,178)	(21,557)
Consolidated net sales	49,065	46,904	426,652
Operating expenses.....	49,779	48,113	432,861
Elimination	(2,465)	(3,096)	(21,435)
Consolidated operating expenses	47,314	45,017	411,426
Operating income	1,765	1,969	15,348
Elimination	(14)	(82)	(122)
Consolidated operating income.....	¥ 1,751	¥ 1,887	\$ 15,226

Note : Each segment outside Japan represents the following nations and regions:

- (1) North America U.S.A. and Canada
- (2) Europe United Kingdom and Germany
- (3) South Asia Singapore, Indonesia and Malaysia
- (4) East Asia China, Hong Kong, Taiwan and Korea

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
The Americas	¥ 11,388	¥ 10,719	\$ 99,026
South Asia	5,140	4,277	44,696
East Asia	10,644	11,078	92,557
Other areas	1,546	1,558	13,443
Total	¥ 28,718	¥ 27,632	\$249,722
Percentage of overseas sales to net sales	58.5%	58.9%	

Notes:

1. Overseas sales are the sum of export sales of the Company and net sales of consolidated subsidiaries to each segment after elimination of all intercompany transactions.
2. Each segment outside Japan represents the following nations and regions:
 - (1) The Americas U.S.A., Canada, Argentina and Venezuela
 - (2) South Asia Singapore, Philippines and Malaysia
 - (3) East Asia China , Hong Kong, Taiwan and Korea
 - (4) Other areas Europe and Middle East

Global Network

The Americas

United States

Fujitec America, Inc.
R&D, manufacturing, marketing,
installation and maintenance

Canada

Fujitec Canada, Inc.
Marketing, installation and
maintenance

Venezuela

Fujitec Venezuela C.A.
Marketing, installation and
maintenance

Argentina

Fujitec Argentina S.A.
Marketing, installation and
maintenance

Guam

Fujitec Pacific, Inc.
Marketing, installation and
maintenance

Overseas Liaison Offices

Beijing, Dubai and Montevideo

Japan

Fujitec Co., Ltd.
R&D, manufacturing, marketing,
installation and maintenance

South Asia

Singapore

Fujitec Singapore Corpn. Ltd.
R&D, manufacturing, marketing,
installation and maintenance

Fujitec maintenance (Singapore)
Pet. Ltd.
Installation and maintenance

Malaysia

Fujitec (Malaysia) Sdn. Bhd.
Marketing, installation and
maintenance

Indonesia

P.T. Fujitec Indonesia
Manufacturing, installation and
maintenance

Vietnam

Fujitec Vietnam Co., Ltd.
Marketing, installation and
maintenance

Philippines

Fujitec, Inc.
Marketing, installation and
maintenance

India

Fujitec India Private Ltd.
Marketing, installation and
maintenance

East Asia

China

Huasheng Fujitec Elevator Co., Ltd.
Manufacturing, marketing,
installation and maintenance

Shanghai Huasheng Fujitec
Escalator Co., Ltd.
Manufacturing, marketing,
installation and maintenance

Fujitec Shanghai Technologies Co., Ltd.
Research and development

Fujitec Shanghai Sourcing Center Co., Ltd.
Procurement and Manufacturing

Hong Kong

Fujitec (HK) Co., Ltd.
Manufacturing, marketing,
installation and maintenance

Taiwan

Fujitec Taiwan Co., Ltd.
Manufacturing, marketing,
installation and maintenance

Korea

Fujitec Korea Co., Ltd.
Manufacturing, marketing,
installation and maintenance

Europe and Middle East

Germany

Fujitec Deutschland GmbH
Marketing, installation and
maintenance

United Kingdom

Fujitec UK Ltd.
Marketing, installation and
maintenance

Saudi Arabia

Fujitec Saudi Arabia Co., Ltd.
Marketing, installation and
maintenance

Egypt

Fujitec Egypt Co., Ltd.
Marketing, installation and
maintenance

Board of Directors

Chairman Kenji Otani

President and Chief Executive Officer
Takakazu Uchiyama*

Directors Akira Sumimoto
Iwataro Sekiguchi
Katsuhiko Harada
Toshiyuki Matsubara
Kunihiko Sawa
Yasuo Hanakawa
Kazuo Inaba

*Representative director

Corporate Auditors

Masakazu Kawai
Susumu Monma
Masanobu Nakano

(As of September 30, 2007)

Shareholders' Information

Fujitec Co., Ltd.

Big Wing, Hikone,
Shiga 522-8588, Japan
Telephone: +81-749-30-6650
Facsimile: +81-749-30-7057

Date of Establishment

February 9, 1948

Paid-in Capital

¥12,533,933,095

Common Stock

Authorized: 300,000,000 shares
Issued: 93,767,317 shares
Number of shareholders: 3,630

Major Shareholders

	Number of shares held (Thousands)	Share holding ratio (%)
Uchiyama International, Limited	10,025	10.69%
Mellon Bank Treaty Clients Omnibus	8,334	8.88%
The Master Trust Bank of Japan, Ltd.	5,598	5.97%
Fuji Electric Holdings Co., Ltd.	5,089	5.42%
CGML-London-Equity	4,968	5.29%
Credit Suisse Zurich	4,580	4.88%
Resona Bank, Ltd.	4,203	4.48%
Japan Trustee Services Bank, Ltd.	3,471	3.70%
Northern Trust Co. (AVFC) Sub A/C Non Treaty	2,255	2.40%
Mizuho Corporate Bank, Ltd.	1,989	2.12%

Annual Meeting of Shareholders

The annual meeting of shareholders of the Company is normally held in June each year in Hikone, Shiga, Japan.

Stock Exchange Listings

Tokyo and Osaka stock exchanges

Transfer Agent

The Chuo Mitsui Trust and Banking Company, Limited
Stock Transfer Agency Department
33-1, Shiba 3-chome, Minato-ku,
Tokyo 105-8574, Japan

Business office:

The Chuo Mitsui Trust and Banking Company, Limited
Osaka Branch
Stock Transfer Agency Department
2-21, Kitahama 2-chome, Chuo-ku,
Osaka 541-0041, Japan
Telephone: +81-6-6202-7361

Auditors

Osaka Audit Corporation

(As of September 30, 2007)