

Date : May 11, 2007

Information on Countermeasures (Takeover Defenses) for Large-scale Purchases of Fujitec Stock

Fujitec Co., Ltd. hereby announces that its Board of Directors has approved at its meeting on May 11, 2007 the adoption of countermeasures (Takeover Defenses) for large-scale purchases of Fujitec Stock (the "Large-scale Purchase Rule"). The purpose of this Rule is to preserve and enhance Fujitec's corporate value and shareholders' common interests. The Rule represents an attempt to prevent decision-making on Fujitec's policy on financial affairs and business activities from being controlled by an entity unqualified based on Fujitec's fundamental policy on the eligibility of entities for controlling such decision-making (the "fundamental policy on management control" or "FPMC").

In order to maintain its Large-scale Purchase Rule, Fujitec plans to confirm the intentions of shareholders regarding an extension of the term of this Rule at the ordinary general meeting of shareholders scheduled for June 27, 2007 (the "Next Ordinary Meeting"). The adoption of the Large-scale Purchase Rule and any initiation of defensive measures based on this Rule will have certain effects on shareholders. For this reason, the company will request shareholders' approval of the Rule as part of the process to maintain the Rule.

On April 24, 2007, Fujitec issued a press release titled "Information Concerning Recent Media Reports." As was reported in this release, Fujitec received a friendly management and employee buyout proposal (the "Proposal") from Dalton Investments LLC ("Dalton") on April 23, 2007. Fujitec does not regard the Proposal as a hostile action as it is subject to the consent of all Fujitec stakeholders.

Based on what is known to Fujitec so far, its Board of Directors considers that the Proposal will not be subject to the Large-scale Purchase Rule which Fujitec plans to adopt soon.

As was reported in its May 9, 2007 release titled "Notice Concerning Submission of Questions," Fujitec has submitted a list of questions to Dalton to collect necessary information on the Proposal. Depending on Dalton's responses to the questions and on other actions which may be taken by Dalton, the Proposal may become subject to the Large-scale Purchase Rule.

I. The FPMC

Since its inception in 1948, Fujitec has specialized in the manufacture of elevators, escalators, moving walkways and multilevel parking garages. The company has global operations that include manufacturing, sales and maintenance services.

The Fujitec Group has 10 manufacturing bases and a large number of sales offices in 20 different countries and regions worldwide. The group has an operating framework that

pursues the best possible performance in line with the goal of optimizing consolidated financial results. This organization allows conducting operations with deep local roots while providing for collaboration among group companies on a global scale. The group is dedicated to developing products that target a diverse range of global market needs. At the same time, the group promotes a composite production system in which group companies supply product parts and other items to each other in order to hold down expenses and maintain outstanding quality. Through these efforts, the group strives to enhance its power to develop and supply excellent products.

The Fujitec management philosophy is “to work in countries worldwide and with people around the world to create beautiful urban functions that meet the demands of a new era, while placing priority on people, technologies and products.” In the pursuit of this philosophy, the company: strives to satisfy all stakeholders, including shareholders, customers, users, suppliers, residents of communities, employees and others, through sustained growth and consistent profitability; creates advanced skills in R&D, manufacturing technologies and business field technologies; supplies reliable, high-quality products; and uses a “total life” approach to offer maintenance services for products. The above philosophy also supports Fujitec’s efforts to achieve the following goals through its global business activities: to contribute to the industrial progress and economic growth of countries worldwide; to play a part in cultural enrichment and mutual understanding among peoples all over the world; and to promote the spirit of mutual harmony and prosperity. Fujitec believes that the commitment of the entire Fujitec Group to transforming this philosophy into concrete actions represents the source of the group’s corporate value and will lead to the preservation and enhancement of Fujitec’s corporate value and shareholders’ common interests.

For these reasons, Fujitec believes that an entity or group attempting to make a large-scale purchase of Fujitec stock that would be detrimental to the preservation and enhancement of corporate value and shareholders’ common interests would not be qualified for controlling decision-making on the company’s financial affairs and business activities.

II. Approaches to preserve and enhance the Fujitec Group’s corporate value and shareholders’ common interests

The Fujitec Group has taken the actions listed in section III as well as those listed below as special measures to realize the FPMC.

1. Actions based on medium-term plan

The Fujitec Group completed a medium-term plan known as “Change & Charge” which commenced in 2004 and ended in 2006. This has been followed by another medium-term plan named “Regeneration for Quality”, which was launched in April 2007.

Fujitec’s long-term vision, “Top Quality for Customers”, consists of the following goals:

- * To supply products and services that earn the trust and satisfaction of customers;
- * To create new forms of value and contribute to society by placing importance on sensitivity and creativity; and
- * To become a company where every employee can grow and take pride in being a member of a specialized manufacturer.

As the first step toward achieving this long-term vision, Fujitec holds the following three management visions:

* To earn the trust and meet the expectations of customers by giving first priority to safety and quality;

* To supply products of the highest quality on a global scale; and

* To reform the corporate structure to build a sound base for sustained growth.

To achieve these visions, the group focuses its management policy on improvement of profitability and quality by selection and concentration. The goals are to raise the operating margin to at least 8% by the end of FY2009 and to maintain and reinforce the group's position as a supplier of the most reliable products in the industry.

Regional management policies include the following.

In Japan:

* Increase market share and generate earnings by developing and commercializing elevators that meet new standards.

* Increase volume of maintenance contracts and raise sales of modernization and repair services.

* Enhance installation and maintenance skills and establish a preventive maintenance system.

In East Asia:

* Strengthen infrastructure for increasing sales in China.

* Reinforce the escalator manufacturing capacity by starting operations of the new factory of Shanghai Huasheng Fujitec Escalator.

* Utilize the Shanghai procurement center.

* Acquire maintenance contracts and increase sales of modernization and repair services.

In South Asia:

* Use Fujitec Singapore as the base for systematic entry to markets in India and the ASEAN countries.

* Increase sales to private-sector customers in Singapore.

* Establish a framework for group companies to purchase parts and equipment from Singapore.

In North America and Europe:

* Conduct efficient operations that reflect local markets.

* Reinforce maintenance operations and increase sales of modernization and repair services.

2. Reinforcement of corporate governance

Fujitec believes that it is vital to its business activities to fulfill its social obligations in a manner that earns the trust of shareholders, customers, users, suppliers, employees and all other stakeholders. The company is also aware that enhancement and reinforcement of corporate governance is an important consideration in its business operations. Fujitec strives to build a more powerful management framework rooted in fairness and transparency in order to ensure appropriate decision-making and expeditious conduct of business activities.

(1) Reinforcement of group governance systems

Fujitec is dedicated to maintaining the transparency and objectivity of management and to strengthening the checking function of the Board of Directors which has the power to supervise. For this purpose, the company has adopted an executive officer system, under which the function to make decisions on and supervise business activities and the

function to conduct business activities are separated from each other. In addition, in order to respond quickly to rapid changes in the operating environment, the term of office of directors and executive officers has been set at one year. Furthermore, the company has a Board of Auditors that is independent of the Board of Directors and has also established a corporate auditors department to provide the auditors with personnel required to perform their duties in a smooth manner.

(2) Reinforcement of compliance systems

Fujitec has established a Compliance Committee to ensure that all corporate activities based on corporate ethics and a law-abiding spirit. The company establishes a compliance action plan every year to promote its compliance programs. In addition, the Fujitec Hot Line gives employees a channel to submit anonymous reports or seek consultation on suspected violations of laws.

(3) Strengthen risk management

Fujitec has established a Risk Management Committee chaired by the company president. The committee evaluates, and determines countermeasures against, company-wide risks. The committee oversees the Risk Management Operations Committee, which is responsible for the company-wide use of risk management systems. In line with its responsibility, the Risk Management Operations Committee collects information and provides guidance and managerial support in order to take quick and appropriate measures against actual or potential risks associated with Fujitec's operations. Fujitec has also established several committees which are responsible for risk management in individual risk categories. These committees include the Compliance Committee, the Information Security Committee, the Product Safety Committee and the Financial Risk Committee.

III. Approaches to prevent decision-making on Fujitec's policy on financial affairs and business activities from being controlled by an entity unqualified based on the FPMC

Based on the FPMC described in section I, Fujitec takes the following approaches to prevent decision-making on Fujitec's policy on financial affairs and business activities from being controlled by an entity unqualified based on the FPMC. Fujitec will request any entity or group which attempts a Large-scale Purchase (as defined in III. 2 (2); the same applies hereinafter) of Fujitec shares or other securities to comply with the Large-scale Purchase Rule described below. Fujitec will have measures in place for cases in which the Large-scale Purchase Rule was complied with and for those in which it failed to be complied with.

1. Need for adopting the Large-scale Purchase Rule

Fujitec's Board of Directors understands that Fujitec, as a publicly owned company, must permit its stock to be traded without restrictions. Accordingly, the Board will not totally deny so-called hostile takeovers, which are attempted without approval of the Board, if they will increase corporate value and shareholders' common interests. In addition, the Board of Directors believes that it should ultimately be up to the shareholders to decide whether or not to accept a takeover proposal that would result in transfer of the control of the company.

However, if Fujitec receives a takeover offer from a purchaser from outside the Fujitec group, it would not be always easy for shareholders to make appropriate decisions in a short time as to the possible impact of the proposed takeover on the company's corporate

value and shareholders' common interests. This is because such decisions must be made based on a sufficient understanding of the company's tangible and intangible management resources, potential effects of the company's long-term initiatives and other factors constituting Fujitec's corporate value. Therefore, when a takeover proposal is submitted, Fujitec's shareholders must first be given an opportunity to make appropriate decisions before their input can be properly used. To provide this opportunity, Fujitec believes that its Board of Directors must conduct a good-faith, careful examination of the proposal within a reasonable time period necessary to do so. Then the Board must provide Fujitec shareholders with information necessary and sufficient to make decisions (and/or an alternative proposal from the Board in some cases).

There are often cases of takeovers that are harmful to the target company's corporate value and shareholders' common interests. These takeovers include: cases in which the proposed takeover, in light of its objectives and style and other factors, is designed exclusively to pursue profits of the purchaser without paying attention to the target company's corporate value and shareholders' common interests; cases in which the takeover proposal may practically force shareholders to sell their stock; and cases in which the proposal fails to provide sufficient time and information for the target company's Board of Directors and shareholders to examine the takeover proposal or for the Board to formulate an alternative proposal. For many years, Fujitec and its group companies have created their corporate value and shareholders' common interests. In order to preserve and enhance these value and interests, it is essential to maintain the relationships of mutual trust that has been established over the years by Fujitec and the Fujitec group with their employees, who support R&D, manufacturing and sales activities, and all other stakeholders surrounding Fujitec and its group companies. The Fujitec group's corporate value and shareholders' common interest would be impaired unless the proposed purchaser of Fujitec shares is able to maintain and enhance these relationships over the medium and long terms.

Based on this stance, Fujitec's Board of Directors has decided to adopt the Large-scale Purchase Rule, which objectively and specifically sets forth the procedures to be followed by the Large-scale Purchaser (as defined in III. 2. (1) 1), the same applies hereinafter) and by Fujitec's Board of Directors when a proposal is submitted for a large-scale purchase of Fujitec stock.

At this time, Fujitec has received no notices or proposals addressed to its management team from any specific third parties other than Dalton.

2. Description of Large-scale Purchase Rule

(1) Summary of Large-scale Purchase Rule

1) Request for information from Large-scale Purchaser and establishment of waiting period

In order to preserve and enhance Fujitec's corporate value and shareholders' common interests, the Large-scale Purchase Rule sets forth the procedures through which the Board of Directors will take the following measures toward an entity which attempts a Large-scale Purchase of Fujitec stocks or other securities ("Large-scale Purchaser"): (i) to request the Large-scale Purchaser to provide necessary and sufficient information on the proposed Large-scale Purchase in advance; (ii) to secure time to collect information on,

and examine, the proposed Large-scale Purchase; and (iii) to present to shareholders a plan or an alternative proposal formulated by the Board, and to negotiate with the Large-scale Purchaser. In order to achieve the intent and objectives of these procedures, the Large-scale Purchase Rule also requires Specified Shareholder Groups (as defined in III. 2. (2), the same applies hereinafter) to refrain from commencing the proposed Large-scale Purchase until the procedures set forth in the Large-scale Purchase Rule have been completed.

2) Establishment of and consultation with Independent Committee

In order to ensure that the Large-scale Purchase Rule is applied appropriately and to eliminate the possibility of arbitrary decisions by the Board of Directors, Fujitec has established an Independent Committee. The Independent Committee consists of the company's External Directors, External Corporate Auditors and external experts (corporate executives, attorneys-at-law, certified public accountants, academics, etc.), all of whom have no ties to Fujitec's management team.

The original members of the Independent Committee appointed upon the adoption of the Large-scale Purchase Rule are Takasuke Kanbayashi, Takeo Shima and Masanobu Nakano (see Appendix 1 for the profiles of the committee members).

Under the Large-scale Purchase Rule, Fujitec will not, in principle, take any countermeasures against a proposed Large-scale Purchase if the Large-scale Purchaser has complied with the procedures set forth the Rule. If the Large-scale Purchaser fails to comply with the procedures, the company may take countermeasures. This constitutes an objective condition for initiating the countermeasures.

Before making any important decisions involved in the Large-scale Purchase Rule, the Board of Directors is required to consult the Independent Committee and to follow its recommendations to the maximum extent possible. Decisions subject to this requirement include the following: a decision to request additional information from the Large-scale Purchaser as described in III. 2. (4) below; a decision to pass a resolution to extend the Board's Examination Period described in III. 2. (5) below; a decision to take exceptional measures described in III. 3. (1) below; and a decision to take the countermeasures described in III. 3. (2) below.

(2) Purchases, etc. subject to the Large-scale Purchase Rule

The Large-scale Purchase Rule applies to: (i) any Purchase (including holding any right to demand delivery of shares, etc. under a purchase or other contract and engaging in any of the transactions defined in Article 6, Paragraph 2 or Article 14-6 of the Enforcement Order of the Securities and Exchange Law and excluding any purchase by entity which has obtained the prior consent of Fujitec's Board of Directors, irrespective of the specific means by which the purchase is made, such as market trade or public tender offer; the same applies hereinafter) of Fujitec shares¹, etc. intended to create a situation where the proportion of voting rights² of a Specified Shareholder Group³ is at

¹ "Shares, etc." means the "shares, etc." as defined in Article 27-23, Paragraph 1 of the Securities and Exchange Law; the same applies hereinafter unless specified otherwise.

² "Proportion of voting rights" means: (i) if the Specified Shareholder Group falls in item (i) of footnote 1, the sum of (1) the holder's shareholding ratio (meaning "shareholding ratio" as defined in Article 27-23, Paragraph 4 of the Securities and Exchange Law ; in this case, the number of shares, etc. held (meaning "the number of shares, etc. held" as defined in the said paragraph; the same applies hereinafter) by the holder's joint holders shall be included in the calculation of the shareholding ratio)

least 20%; (ii) any Purchase which will result in a situation where the shareholding ratio of a Specified Shareholder Group is at least 20%; or (iii) any agreement⁴ which will result in a situation where the shareholding ratio of a Specified Shareholder Group is at least 20% (any such Purchase or agreement shall be hereinafter referred to as a “Large-scale Purchase”).

(3) Submission of statement of intent by Large-scale Purchaser

Unless otherwise determined by the Board of Directors, a Large-scale Purchaser who intends to conduct a Large-scale Purchase as defined in III. 2. (2) above must submit in advance a statement of intent to Fujitec. The statement must provide the company name, address, governing law of incorporation, names of representatives, contact information in Japan, and a summary of the proposed Large-scale Purchase. The statement must also include a written oath that the Large-scale Purchaser will follow the procedures set forth in the Large-scale Purchase Rule.

(4) Provision of information by Large-scale Purchaser

Following receipt of the statement of intent, Fujitec’s Board of Directors will deliver the Large-scale Purchaser a list of information items necessary and sufficient for Fujitec shareholders to make their decisions and for the Board of Directors to form its opinion (“Requisite Information”). The Large-scale Purchaser must provide the information in accordance with the list within a reasonable period notified by the Board.

The Independent Committee will receive this information through the Fujitec Board of Directors.

and (2) the shareholding ratio of the holder’s semi-joint holders (provided that the addition of (1) and (2) above shall be made without counting the same shares, etc. twice); or (ii) if the Specified Shareholder Group falls in item (ii) of footnote 1, the sum of the shareholding ratio of the Large-scale Purchaser and the share ownership ratios of the Special Interested Parties (meaning “share ownership ratio” as defined in Article 27-2, Paragraph 8 of the said law). In the calculation of the shareholding ratio and share ownership ratio of each holder, the total number of shares issued (meaning the “total number of shares issued” as defined in Article 27-23, Paragraph 4 of the said law) and the total number of voting rights (meaning the “total number of voting rights” as defined in Article 27-2, Paragraph 8 of the said law) may be based on the corresponding figures appearing in the most recently issued of: Securities Report, Semiannual Report, Quarterly Report or Stock Repurchase Report.

³ “Specified Shareholder Group” means: (i) holders (including entities included in holders under Article 27-23, Paragraph 3 of the Securities and Exchange Law; the same applies hereinafter) of Fujitec shares, etc. (meaning “shares, etc.” as defined in Article 27-23, Paragraph 1 of the said law) and their joint holders (meaning “joint holders” as defined in Article 27-23, Paragraph 5 of the said law and including entities deemed to constitute joint holders under Paragraph 6 of the same article; the same applies hereinafter), and entities which have a relationship similar to that of holders or joint holders with such holders or their joint holders (such entities include without limitation investment banks, securities companies and other financial institutions which have entered into a financial advisory contract with the Large-scale Purchaser, the public tender offering agent and lead-manager securities companies of the Large-scale Purchaser; hereinafter referred to as “semi-joint holders”), or (ii) entities which make a purchase, etc. (meaning “purchase, etc.” as defined in Article 27-2, Paragraph 1 of the said law and including purchases conducted on securities exchanges, whether or not by auction) of Fujitec shares, etc. (meaning “shares, etc.” as defined in Article 27-2, Paragraph 1 of the said law) and their special interested parties (meaning “special interested parties” as defined in Article 27-2, Paragraph 7 of the said law).

⁴ “Agreement, etc.” means any agreement whereby the parties thereto agree to jointly purchase or assign Fujitec shares, etc. or jointly exercise voting rights or any other rights of shareholders of the company, or any other act as a result of which the Specified Shareholder Group would constitute a joint holder as defined in Article 27-23, Paragraphs 5 and 6 of the Securities and Exchange Law.

Specific information items required will differ depending on the attributes of the Large-scale Purchaser and the nature of the proposed Large-scale Purchase. Information items generally requested include the following:

- 1) Information (including names, ownership, financial condition, business activities, experience in Fujitec's business fields, etc.) on the Large-scale Purchaser and its group (joint holders, special interested parties and (in the case of funds) fund investors, managing partners, and other members, as well as parties which continuously provide investment advice to these entities);
- 2) All securities issued by Fujitec and held by the Large-scale Purchaser; all transactions of Fujitec securities by the Large-scale Purchaser during the past 60 days (including natures of transactions, prices, places and methods of transactions, and counterparties to transactions); and all contracts, arrangements and agreements (whether written or oral, and whether feasible or not) entered into by the Large-scale Purchaser concerning Fujitec securities;
- 3) Objectives, method and description of the Large-scale Purchase (including the amount and kind of consideration proposed to be paid in the Large-scale Purchase, timing of the Large-scale Purchase, the scheme for transactions involved in the Large-scale Purchase, legality of the method of the Large-scale Purchase, any possibility of Fujitec stock being delisted following completion of the Large-scale Purchase and the reason therefor, and feasibility of the Large-scale Purchase and related transactions);
- 4) Bases for calculation of purchase price of Fujitec stock (including assumptions used, calculation method, numerical data used in the calculation, synergies expected from all transactions involved in the Large-scale Purchase (including the amount or description of synergies distributed to minority shareholders) and the source of funds for the purchase (including the names of fund providers (including substantial providers), procurement methods and descriptions of associated transactions);
- 5) Prospective management members (including information on their experience in the Fujitec's industry), management policy, business plan, financial plan, capital policy, dividend policy, asset utilization policy, etc. for Fujitec which are expected to be used after the Large-scale Purchaser joins the management of Fujitec;
- 6) Description of planned changes (if any) in the relationships between the Fujitec Group and its suppliers, customers, employees and other stakeholders following completion of the Large-scale Purchase;
- 7) Specific measures to be taken to prevent conflict of interests between the Large-scale Purchaser and other Fujitec shareholders; and
- 8) Other items that Fujitec's Board of Directors or Independent Committee considers reasonably necessary.

Fujitec's Board of Directors will immediately pass on to the Independent Committee any information provided by the Large-scale Purchaser. The Board will then examine the information carefully before determining whether or not the information is sufficient as Requisite Information. In making the determination, the Board must comply with the recommendations of the Independent Committee to the maximum extent possible. If the Board finds the information insufficient, the Board will request the Large-scale Purchaser to provide, within a reasonable period, additional information so that Requisite Information will be provided. In this case, the Large-scale Purchaser must supply such additional information within the designated period.

In some cases, Fujitec may find it necessary to disclose to its shareholders, in order to help them make their decisions, the fact of Fujitec's receipt of a proposal for Large-scale

Purchase as well as the Requisite Information submitted to its Board of Directors. In this event, Fujitec will disclose relevant information whenever deemed appropriate by the Board, except for trade secrets and other information considered by the Board to be inappropriate for disclosure.

(5) Examination of Large-scale Purchase, negotiation with Large-scale Purchaser and presentation of alternative proposal

If the Fujitec Board of Directors and Independent Committee consider that the Large-scale Purchaser has submitted sufficient information, the Board of Directors will designate an examination period of 60 days (in the case of an all-cash public tender offer for all Fujitec stock) or 90 days (in the case of any other Large-scale Purchase) following completion of the submission of the Requisite Information (in each case, with the first day not included in the examination period; “Board’s Examination Period”).

However, the Board of Directors may extend the Board’s Examination Period, subject to consultation with the Independent Committee and compliance with its recommendations to the maximum extent possible. This extension will be allowed to the extent necessary for the Board to examine the proposed Large-scale Purchase, to negotiate with the Large-scale Purchaser, to formulate an alternative proposal and to take other measures to preserve and enhance corporate value and shareholder’s common interests.

If the Board of Directors decides to extend the Boards’ Examination Period in response to the recommendations of the Independent Committee, the Board will disclose the reason for the extension, the period of extension and other information appropriate for disclosure, promptly following the decision to extend the Board’s Examination Period.

During the Board’s Examination Period, the Board of Directors will assess and examine the details of the proposed Large-scale Purchase from the viewpoint of preservation and enhancement of Fujitec’s corporate value and shareholders’ common interests. In this assessment and examination, the Board will consult the Independent Committee and, if necessary, seek advice from external experts and will use information and materials provided by the Large-scale Purchaser. The Board will carefully form and announce its opinion, which should take into account the recommendations of the Independent Committee to the maximum extent possible.

In addition, Fujitec’s Board of Directors may, as necessary, take measures to collect the opinions of the company’s shareholders as well as of customers, suppliers, employees, residents of relevant local communities and other stakeholders.

Furthermore, the Board of Directors may, as necessary, discuss or negotiate with the Large-scale Purchaser to improve the terms of the proposed Large-scale Purchase. The Board may also present an alternative proposal to Fujitec’s shareholders.

No Specified Shareholder Group may initiate a Large-scale Purchase before expiration of the Boards’ Examination Period.

3. Policy on measures to be taken toward commencement of Large-scale Purchase

(1) Cases in which the Large-scale Purchaser has complied with the Large-scale Purchase Rule

If the Large-scale Purchaser has complied with the procedures set forth in the Large-scale Purchase Rule, Fujitec's Board of Directors will not, in principle, take any countermeasures.

However, even if the Large-scale Purchase Rule has been complied with, the Board of Directors may choose to take countermeasures to protect the interests of shareholders in cases where the Large-scale Purchase is deemed detrimental to the preservation and enhancement of Fujitec's corporate value and shareholders' common interests and where it is considered appropriate to use the countermeasures.

Specifically, if a Large-scale Purchase falls under any of the following, such Large-scale Purchase is deemed, in principle, to be detrimental to the preservation and enhancement of Fujitec's corporate value and shareholders' common interests.

- 1) If the Large-scale Purchase is likely to cause obvious damage to Fujitec's corporate value and shareholders' common interests due to any of the following or similar activities:
 - (i) Speculative buying of Fujitec shares, etc. followed by a demand for purchase of the shares, etc. by Fujitec at high prices;
 - (ii) Gaining temporary control of Fujitec's management to acquire Fujitec's important assets at low prices or otherwise profit the Large-scale Purchaser at the cost of Fujitec;
 - (iii) Misappropriation of Fujitec's assets to secure or pay liabilities of the Large-scale Purchaser or its group companies, etc.; or
 - (iv) Gaining temporary control of Fujitec's management to cause the company to sell high-priced assets that are not involved in Fujitec's business operations for the time being, with the intention of causing the company to pay temporarily high dividends using proceeds from such sale or of selling out Fujitec stock at the highest price by taking advantage of sharp rise in the stock price caused by the temporarily high dividends.
- 2) If the Large-scale Purchase constitutes a coercive two-tier tender offer (meaning a tender offer or other purchase offer in which the first round offer is directed to less than all shares and is made with terms for a second round offer unfavorable to shareholders or without clearly disclosing the terms for a second round offer to stockholders) or otherwise practically forces Fujitec shareholders to sell their stock.
- 3) If it is considered that the Large-scale Purchaser's acquisition of control of Fujitec would not improve the company's corporate value on a medium- to long-term basis compared to the company's projected corporate value in otherwise the same situation.
- 4) If the purchase terms (including the amount and kind of consideration, timing of purchase, legality of the purchase method, feasibility of the purchase, and policy for treatment of Fujitec's employees, suppliers, customers and other stakeholders after the purchase) are considerably inadequate or improper in light of the true value of Fujitec and its group companies.
- 5) If the Large-scale Purchase is likely to impair Fujitec's corporate value by damaging Fujitec's relationships with its employees, customers, suppliers and other stakeholders or Fujitec's corporate brand value and corporate culture, each of which is vital to the creation of Fujitec's corporate value.
- 6) If the Large-scale Purchases is likely to undermine the safety of Fujitec's elevator or multilevel parking garage business because of the Large-scale Purchaser's inadequate or inappropriate management policies, business plans or other plans to be used following the Large-scale Purchase

7) If otherwise the Large-scale Purchase is similar to those set forth in 1) through 6) above and is considered likely to impair Fujitec's corporate value and shareholders' common interests.

In order to ensure the objectivity and reasonableness of a decision to initiate countermeasures in exceptional cases, Fujitec's Board of Directors will examine the Large-scale Purchaser and the specific terms and conditions for the Large-scale Purchase and will analyze potential effects of the Large-scale Purchase on the interests of Fujitec's shareholders as a whole. In doing so, Fujitec will use the Requisite Information supplied by the Large-scale Purchaser, including its management policies proposed to be used following the purchase, and will seek advice from external experts. The Board will then make its decisions based on results of such examination and analysis and taking into consideration the recommendations of the Independent Committee to the maximum extent possible.

(2) Cases in which the Large-scale Purchaser has failed to comply with the Large-scale Purchase Rule

If the Large-scale Purchaser has failed to comply with the procedures set forth in the Large-scale Purchase Rule, Fujitec's Board of Directors may initiate countermeasures to protect the interests of the company and its shareholders in general, irrespective of the proposed purchase method.

Fujitec's Board of Directors will determine whether or not the Large-scale Purchaser has complied with the required procedures and whether or not it is appropriate to initiate the countermeasures. In doing so, the Board will take external experts' opinions into consideration and will also comply with the recommendations of the Independent Committee to the maximum extent possible.

(3) Specific details of countermeasures

Countermeasures which may be initiated by Fujitec under the Large-scale Purchase Rule against a Large-scale Purchase will include gratuitous allocation of right to subscribe for new shares and other measures permitted by the Japanese Corporate Law and other laws and regulations as well as by Fujitec's Articles of Incorporation.

Specific measures to be taken will be selected by the Board of Directors as the most appropriate on a case-by-case basis.

Appendix 2 shows an outline of gratuitous allocation of rights to subscribe for new shares which may be made as a countermeasure against a Large-scale Purchase.

(4) Withdrawal of countermeasures

Fujitec's Board of Directors may withdraw or modify the countermeasures which it has once decided to take. A decision to so withdraw or modify proposed countermeasures may be made whenever the Board of Directors considers initiation of the countermeasures no longer appropriate. For instance, such decision may be made if the Large-scale Purchaser withdraws or modifies the proposed Large-scale Purchase after the Board has decided to take certain countermeasures as described in section III. 3. (1) above in exceptional cases or as described in III. 2. (1), in each case by taking into consideration the recommendations of the Independent Committee to the maximum extent possible. In making a decision to so withdraw or modify countermeasures, the

Board will take into account the opinion or recommendations of the Independent Committee to the maximum extent possible.

One example would be a case in which Fujitec has decided as a countermeasure to make gratuitous allocation of rights to subscribe for new shares and, after determination of the shareholders eligible to receive allocation of the rights, the Large-scale Purchaser withdraws or modifies the Large-scale Purchase. If the Board of Directors considers it no longer appropriate to take the countermeasure, it may cancel the initiation of the countermeasures as follows.

- 1) Until the day immediately before the record date for the rights to subscribe for new shares, the Board will cancel the gratuitous allocation in response to a recommendation from the Independent Committee.
- 2) During the period from the record date for the rights to subscribe for new shares to the day immediately before the first day of the exercise period, Fujitec will acquire the rights to subscribe for new shares at no cost in response to a recommendation from the Independent Committee.

If initiation of any countermeasure is so cancelled, the Board of Directors will promptly disclose relevant information as well as information items disclosure of which is deemed necessary by the Independent Committee.

4. Effects on shareholders and other investors

(1) Effects of adoption of the Large-scale Purchase Rule on shareholders and other investors

The purpose of the Large-scale Purchase Rule is to provide Fujitec's shareholders with information they need to decide whether or not to accept the Large-scale Purchase as well as with the opinion of Fujitec's Board of Directors as the actual manager of the company, and to secure for the shareholders an opportunity to receive an alternative proposal.

The Rule will enable shareholders to make appropriate decisions, based on sufficient information, as to whether or not to accept the Large-scale Purchase. Fujitec believes that this approach will contribute to the preservation and enhancement of corporate value and shareholders' common interests. Fujitec is therefore confident that adoption of the Large-scale Purchase Rule is a prerequisite for shareholders and other investors to make appropriate investment decisions and will contribute to the best interests of the shareholders and other investors.

As described in III. 3 above, Fujitec's will take different measures toward a proposed Large-scale Purchase depending on whether or not the Large-scale Purchaser has complied with the procedures set forth in the Large-scale Purchase Rule. Therefore, Fujitec's shareholders and other investors are requested to pay attention to the movements of a Large-scale Purchaser.

(2) Effects of initiation of countermeasures on shareholders and other investors

In order to preserve and enhance Fujitec's corporate value and shareholders' common interests, its Board of Directors may take countermeasures which are permitted by the Japanese Corporate Law and other laws and regulations as well as by Fujitec's Articles of Incorporation. Due to the mechanism of the countermeasures, Fujitec does not believe

that its shareholders (excluding the Large-scale Purchaser, shareholders belonging to a Specified Shareholder Group and any other shareholders who are not allowed to exercise rights in order to ensure the effectiveness of the countermeasures) will suffer any significant damage in their legal rights or economic benefits due to any such measures. Whenever Fujitec's Board of Directors decides to take any specific countermeasure, appropriate disclosure will be made in a timely manner in accordance with applicable laws and regulations and securities exchange rules.

In this regard, if the Board of Directors chooses as a countermeasure to make gratuitous allocation of rights to subscribe for new shares, these rights will be allocated to the shareholders identified as such as of the record date to be separately designated by the Board's resolution to make such allocation. These shareholders will receive without consideration one such right for each Fujitec share they hold. If a shareholder fails to complete the procedures to exercise its rights to subscribe for new shares within the exercise period, the value of shares which have been held by the shareholder will be diluted as a result of other shareholders' exercise of their rights to subscribe for new shares.

In addition, if the Board of Directors decides to cancel the issuance of the rights to subscribe for new shares or to acquire these rights at no cost in response to a recommendation from the Independent Committee, no dilution of per-share value will occur. In this case, stock price changes may cause unexpected losses to Fujitec's shareholders and other investors who traded Fujitec stock prior to the ex date for the gratuitous allocation of rights to subscribe for new shares based on the assumption that dilution will occur.

(3) Procedures for shareholders to follow upon initiation of countermeasures

If the Board of Directors decides as a countermeasure to make gratuitous allocation of rights to subscribe for new shares, the company will announce the record date for the allocation.

Rights to subscribe for new shares will be allocated at no charge to shareholders listed on the shareholder register or the beneficial shareholder register at the close of business on the record date. Accordingly, Fujitec shareholders are requested to promptly register shares in their names (except for shares deposited with the Japan Securities Depository Center).

The allocation method, stock registration method, exercise method, method for Fujitec's acquisition of rights to subscribe for new shares and other details will be communicated to shareholders by information disclosure or notice, after the Board of Directors' approval of the countermeasure. Fujitec advises its shareholders to refer to these communications for details.

5. Term, termination and modification of Large-scale Purchase Rule

The Large-scale Purchase Rule will remain effective until the Next Ordinary Meeting, which is scheduled for June 27, 2007, provided that:

- 1) If an extension of the term of the Large-scale Purchase Rule is approved by shareholders at the Next Ordinary Meeting or relevant subsequent ordinary general meeting of shareholders, the term of the Rule will be extended for additional successive periods, each of which will expire at the conclusion of the ordinary general

- meeting of shareholders for the last of the fiscal years ending within three years of the Next Ordinary Meeting or the relevant subsequent ordinary general meeting of shareholders, as the case may be; and
- 2) that, at any time before the Next Ordinary Meeting, the Large-scale Purchase Rule will be terminated with immediate effect upon passage of a resolution to do so at the Board or shareholders' meeting.

Even if an extension of the Large-scale Purchase Rule is approved by shareholders at the Next Ordinary Meeting, the Rule may be terminated with immediate effect at any time before the expiration date if a resolution to do so is passed at the Board or shareholders' meeting. Thus, shareholders may terminate the Large-scale Purchase Rule when they wish to.

The Board of Directors will announce any extension or termination of the Large-scale Purchase Rule which may take place with the approval of shareholders.

In addition, the Board may, with the approval of the Independent Committee, modify or alter the Large-scale Purchase Rule at any time during the term of the Rule. Any such modification or alteration will be subject to consistency with the intent of the Board's resolution concerning the Rule (including without limitation cases in which it is appropriate to reflect any law, regulation, securities exchange rule or other code that has been newly established, amended or abolished, or to make a revision for correction of errors, omissions and other mistakes, and cases in which such modification or alteration is in no way detrimental to the interests of Fujitec's shareholders).

Upon any termination or modification of the Large-scale Purchase Rule, Fujitec will promptly announce such termination or modification and, in the case of modification, details of the modification and other information items disclosure of which is deemed appropriate by the Board of Directors.

IV. Rule is consistent with Fujitec's FPMC, is not detrimental to shareholders' common interests and is not intended to protect the positions of current officers, and reasons therefor.

For the following reasons, Fujitec believes that the adoption of the Rule is consistent with the FPMC, is not detrimental to shareholders' common interests, and is not intended to protect the positions of current officers.

1. The Rule fulfills requirements required by Takeover Defenses Policy
The Large-scale Purchase Rule fulfills the three basic principles established by the "Policy Concerning Takeover Defenses for Preserving and Enhancing Corporate Value and Shareholders' Common Interests", which was issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The three basic principles are: (i) the principle of preservation and enhancement of corporate value and shareholders' common interests; (ii) principle of prior disclosure and intentions of shareholders; and (iii) principle of necessity and reasonableness.

2. The Rule has been adopted for the purpose of preserving and enhancing shareholders' common interests

The Large-scale Purchase Rule has been adopted with the aim of preserving and enhancing Fujitec's corporate value and shareholders' common interests. The Rule

intends to achieve this aim by: securing, upon receipt of a proposal for purchase of Fujitec stock, information and time necessary for shareholders to make their decisions as to whether or not to accept the proposed purchase, or necessary for Fujitec's Board of Directors to present an alternative proposal; and by enabling the Board to negotiate with the purchaser on behalf of shareholders.

The Large-scale Purchase Rule allows Fujitec's shareholders and other investors to make appropriate investment decisions. Fujitec thus believes that the Rule is not detrimental but indeed is beneficial to the common interests of shareholders.

3. The Rule focuses on the intentions of shareholders

The Large-scale Purchase Rule was adopted by a resolution passed at the Board of Directors' meeting. As described in III. 5 above, however, the Rule will be promptly revised or terminated should a resolution to do so be passed at a general meeting of Fujitec's shareholders which may be held before the Next Ordinary Meeting. In this regard, the fate and contents of the Large-scale Purchase Rule depend on the intentions of shareholders as expressed at shareholder meetings.

In addition, Fujitec plans to submit a proposal to approve the Large-scale Purchase Rule to the Next Ordinary Meeting in order to confirm the intentions of shareholders on the Rule. Extension of the Rule's term is subject to approval by a majority of the voting rights represented by the shareholders attending the meeting. Moreover, at any time after extension of its term, the Rule will be promptly revised or terminated should a resolution to do so be passed at any subsequent general meeting of Fujitec's shareholders.

For the above reasons, Fujitec believes that the fate and contents of the Large-scale Purchase Rule depend on the intentions of shareholders as expressed at shareholder meetings.

4. Establishment of Independent Committee for ensuring objectivity and reasonableness of decisions made by Board of Directors

In association with the adoption of the Large-scale Purchase Rule, Fujitec has established an Independent Committee in order to prevent, for the sake of shareholders, the Board of Directors from making arbitrary decisions in initiating countermeasures or otherwise applying the Rule.

The Independent Committee consists of three external experts who have no relationship with Fujitec's senior operating officers.

Fujitec's Board of Directors must give most serious consideration to decisions made by the Independent Committee. This represents a system that has been put in place for the operation of the Large-scale Purchase Rule in a transparent manner to the extent beneficial to Fujitec's corporate value and shareholders' common interests.

5. Reasonable, objective conditions for initiation

As described in III. 3 above, the Large-scale Purchase Rule is structured so that countermeasures may be initiated only if the prescribed, reasonable and objective conditions have been fulfilled. This system is structured to prevent arbitrary use of the Rule by the Board of Directors.

6. Shorter term of office of Fujitec Directors

Fujitec has already shortened the terms of its Directors to one year with the approval at a general shareholders' meeting.

Consequently, if the term of the Large-scale Purchase Rule is extended at the Next Ordinary Meeting, the shareholders will be able to express their intentions on the Rule through annual appointment of Directors.

7. The Rule is not a dead hand or slow hand poison pill

As described in III. 5 above, the Large-scale Purchase Rule may be terminated by the Board of Directors, which is composed of Directors appointed by the general meeting of shareholders. It is thus possible for an entity which has purchased a large number of Fujitec stock, etc. to terminate the Rule by appointing Directors at the shareholders meeting and then to cause these Directors to vote for termination of the Rule at the Board of Directors' meeting. For this reason, the Large-scale Purchase Rule is not a dead hand poison pill, whose initiation cannot be avoided by replacing a majority of the directors. Nor will the Rule constitute a slow hand poison pill after its term is extended at the Next Ordinary Meeting. While a slow hand poison pill is a takeover defense whose initiation cannot be avoided for a considerable time because of the inability to replace all directors at the same time, the terms of all Fujitec Directors expire at the same time.

Profiles of Independent Committee Members

Takasuke Kanbayashi

Born March 18, 1935

- 1953 Joined Itochu Corporation
- 1981 Elected director of Itochu Corporation
- 1984 Named representative director and general manager of corporate
planning & administration
- 1986 Named executive in charge of Corporate Planning & Administration
Group, Development Group and Information & Communications Planning
Department
- 1989 Named representative director and executive vice president, assistant to
the president and executive in charge of Textile Company
- June 1992 Named representative director and chairman of Takiron
- June 1996 Named director and senior adviser of Takiron
- Present Senior adviser of Itochu Corporation, honorary adviser of Takiron

Takeo Shima

Born March 1941

- 1969 Registered as attorney-at-law (member of Osaka Bar Association) (to
present)
- 1972 Established Takeo Shima Law Office
- 1989 Deputy chairman of Osaka Bar Association
- 1991 Established Sakura Law Office through merger of Yoshitake Hatake and
Takeo Shima law offices
- 1998 Elected external corporate auditor of Ichiyoshi Securities
- June 2003 Elected external director of Ichiyoshi Securities (to present)
- Feb. 2006 Chairman of External Professionals Committee, Ichiyoshi Securities (to
present)

Masanobu Nakano

Born February 6, 1947

- 1970 Joined Chuo Accounting Office (current Misuzu Audit Corporation)
- 1975 Registered as certified public accountant (to present)
- 1989 Named representative employee of Chuo Shinko Accounting Office
(current Misuzu Audit Corporation)
- 2000 Established Masanobu Nakano Accounting Office (to present)
- Oct. 2002 Registered as certified tax accountant (to present)
- Mar. 2005 Established TAS Tax Accounting Office, representative (to present)

Outline of Rights to Subscribe for New Shares

1. Eligible shareholders and terms and conditions for allocation of rights to subscribe for new shares

Rights to subscribe for new shares will be allocated to the shareholders listed on the shareholder register or the beneficial shareholder register at the close of business on the record date designated by the Board of Directors. Shareholders will receive at no cost one right to subscribe for new shares for each share of Fujitec common stock (except common stock held by Fujitec).

2. Class and number of shares issued as a result of exercise of rights to subscribe for new shares

Fujitec common stock will be issued upon exercise of rights to subscribe for new shares. The number of shares to be issued as a result of exercise of rights to subscribe for new shares will be no more than the number of authorized Fujitec shares as of the record date designated by the Board of Directors less the number of Fujitec common stock issued as of the said date (except common stock held by Fujitec). The number of shares to be issued per right to subscribe for new shares will be determined separately by the Board of Directors. Necessary adjustments will be made if a stock split or consolidation is undertaken.

3. Number of rights to subscribe for new shares issued

The total number of rights to subscribe for new shares to be issued will be separately determined by the Board of Directors. The Board of Directors may allocate rights to subscribe for new shares more than once.

4. Amount of contribution to be made (amount to be paid in) upon exercise of rights to subscribe for new shares

The amount of contribution to be made (amount to be paid in) upon exercise of shares to subscribe for new shares will be determined by the Board of Directors. The amount will be no less than one yen and may be up to one half of the market price of Fujitec stock.

5. Restrictions on transfer of rights to subscribe for new shares

Any acquisition of rights to subscribe for new shares by transfer will require the approval of the Fujitec Board of Directors.

6. Terms and conditions for exercise of rights to subscribe for new shares

Exercise of rights to subscribe for new shares is subject to the shareholder's not belonging to a Specified Shareholder Group whose proportion of voting rights is 20% or higher (unless the shareholder has gained the consent of the Board of Directors). Further details will be determined separately by the Board of Directors.

7. Exercise period and other conditions for rights to subscribe for new shares

The effective date of allocation, exercise period, acquisition clause and other necessary terms and conditions will be separately determined by the Board of Directors.. The acquisition clause may include provisions that allow the company to acquire all rights to subscribe for new shares, except those held by shareholders who are not entitled to exercise rights to subscribe for new shares due to a failure to satisfy the condition set forth in item 6 above, in exchange for such number of Fujitec common stock per right to subscribe for new shares as determined separately by the Board of Directors.

Major Fujitec Shareholders

Major shareholders of Fujitec as of March 31, 2007 were as follows.

	Equity in Fujitec	
	Number of shares (thousands of shares)	Percentage (%)
Uchiyama International Co., Ltd.	10,025	10.71
Mellon Bank Treaty Clients Omnibus	8,237	8.80
The Master Trust Bank of Japan, Ltd.	5,782	6.18
Fuji Electric Holdings Co., Ltd.	5,089	5.44
CGML London Equity	4,674	4.99
Credit Suisse Zurich	4,545	4.86
Resona Bank, Ltd.	4,203	4.49
Japan Trustee Service Bank, Ltd.	3,710	3.96
Northern Trust Company (AVFC) Account Non-treaty	2,255	2.41
Morgan Stanley & Company International Limited	2,039	2.18
Total	50,560	54.01

Notes:

1. Total number of shares issued is 93,767,317. Treasury stock (153,577 shares) is not included in the calculation of percentage.
2. Fujitec has received major shareholding (change) notifications from the corporations listed below, in addition to those listed in the above table. The shareholders listed below are not included in the major shareholders listed above due to the inability to confirm effective shareholdings as of March 31, 2007.

Name	Number of shares (thousands of shares)	Percentage (%)	Date of accrual of notification obligation
Dalton Investments LLC (※)	14,493	15.46	June 9, 2006
Tweedy, Browne Company LLC	7,255	7.74	Dec. 31, 2001
Morgan Stanley Japan Limited and others (six companies)	3,443	3.67	March 30, 2007

(※)Dalton Investments LLC has submitted a major shareholding (change) notification dated April 23, 2007 which states its ownership of 14,346 thousand shares (15.30%).