

To all parties concerned:

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Announcement of New Medium-Term Business Plan

Please be notified that the Fujitec Group completed a medium-term business plan called Change & Charge that began in FY 2004 and ended in FY 2006. This was followed by a medium-term business plan called Regeneration for Quality that began in April 2007. The outlines are as follows.

1. New medium-term business plan (FY 2007 to FY 2009) ***“Regeneration for Quality”***

This plan is a foundation for Fujitec’s further advancement after April 2010.

The management vision is threefold.

- Strengthening the trust of customers by prioritizing safety and quality;
- Supply products that are number-one on a global scale; and
- Reform the corporate structure to build a sound base for sustained growth.

2. Numerical goal for FY 2009

- ① **Sales** : **122.4 billion yen**
- ② **Operating income** : **9.8 billion yen**
- ③ **Operating margin** : **8%**

The Company aims to increase gross margin through the following measures. Sales increase through launch of new standard type elevators. Procurement of high quality and low price components through Shanghai Procurement Center. The Company also aims to increase the operating margin by drastic review of SG & A expenses.

<Medium-term numerical goal> (Rounded down to 100 million yen)

	FY 2007		FY 2008		FY March 2009	
		YoY %		YoY %		YoY %
S a l e s	1,100	5.0	1,160	5.5	1,224	5.5
Operating i n c o m e	44	9.0	70	59.1	98	40.0
(Operating m a r g i n)	(4.0%)	-	(6.0%)	-	(8.0%)	-

<Sales by region>

(Rounded down to 100 million yen)

	FY 2006 Sales	Pct.	FY 2009 Sales(plan)	Pct.
Japan	507	48.5%	586	47.8%
Eastern Asia	278	26.6%	389	31.8%
Southern Asia	87	8.4%	120	9.8%
North America	216	20.7%	197	16.1%
Europe	17	1.6%	12	1.0%
Intra-company transaction	-60	-5.8%	-80	-6.5%
Total	1,047	100%	1,224	100%

<Operating income by region>

(Rounded down to 100 million yen)

	FY 2006 Sales	Pct.	FY 2009 Sales(plan)	Pct.
Japan	10.5	26.2%	49.0	50.0%
Eastern Asia	22.7	56.2%	30.4	31.0%
Southern Asia	8.7	21.6%	14.2	14.5%
North America	-0.5	-1.4%	4.6	4.7%
Europe	-0.2	-0.5%	0.0	0.0%
Intra-company transaction	-0.8	-2.1%	-0.2	-0.2%
Total	40.3	100%	98.0	100%

3. Regional management strategies

To achieve the management vision, the group's core management strategies is focusing resources on strategic fields to raise profitability and quality. The goals are to raise the operating margin to at least 8% by the fiscal year ending in March 2010, and to reinforce the group's position as a supplier of the most reliable products in its industry. Regional management policies are as follows.

(In Japan)

- Increase market share and generate earnings by developing and launching new standard type elevators.
- Increase volume of maintenance customers and increase sales of modernization*.
- Enhance installation and maintenance skills and improve a preventive maintenance system.

(In Eastern Asia)

- Strengthen infrastructure for increasing sales in China.
- Reinforce escalator-manufacturing capabilities by starting operations at the new factory of Shanghai Huasheng Fujitec Escalator.
- Utilize the Shanghai Procurement Center.
- Secure maintenance customers and increase sales of modernization*.

(In Southern Asia)

- Increase sales in ASEAN region.
- 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, increase sales of modernization*.
- Rollout of selected products.

*Replacement of obsolete equipment with advanced ones.

4. Product strategy

(1) Medium- and long-term business strategy

- Acquisition of brand identity of product and service through customer confidence in quality and safety, i.e., the most basic product feature.
- Acquisition of provision system of globally competitive products.
- Renewed recognition of the importance of unique and advanced technology and acquisition of base technology. Continued visionary effort to acquire them.

(2) Points of technology and product strategy

- Innovation of cost competitiveness of medium- and low-speed elevators without machine rooms.
 - Achievement of drastic cost reduction with new standard elevators for Japanese market. Then, the achievement will be applied to products for global markets and main models.
- Innovation of quality and profitability increment of upscale elevators with machine room
 - Improvement of quality and cost cut through the strengthening of design standard and adoption of new machines.
 - Innovation of overall product by review of processes such as design and production.
- Establishment of production and provision system of escalators
 - Launch of new standard type escalator, i.e., New GS8000.
 - Establishment of design and production system to supply products worldwide in cooperation with Shanghai Huasheng Fujitec Escalator and Hidaka Plant.

5. Corporate governance

To fulfill its social responsibility, the Company believes that it is vital to conduct business activities in a manner that earns the trust of shareholders, customers, employees and all other stakeholders. The Company is building a more powerful management framework rooted in fairness and transparency through the enhancement and reinforcement of corporate governance in order to ensure that decisions are reached properly and business operations are executed with speed.

- ① Management system: executive officer system / one-year term / addition of two outside directors (three in total) ;
- ② Establishment of the Board of Corporate Auditors and Corporate Auditors Department;
and
- ③ Establishment of the Compliance Committee, the Risk Management Committee, etc.