

July 13, 2007

To all parties concerned:

Company Name	Fujitec Co., Ltd.
Representative	Takakazu Uchiyama President & Chief Executive Officer
Code No.	6406
Listed on	TSE 1, OSE 1
Inquiry	Yoshio Kitagawa (TEL 0749-30-7111) Executive Operating Officer, General Manager, Finance HQ

Notice of insufficient strength of elevator steel members

It was recently revealed that “hot-rolled steel product SPHC” (“SPHC”) was applied to substantial number of Fujitec elevators and escalators. “SPHC” is less strong than “steel product for general structure SS400” (“SS400”), which was ordered by us. “SPHC” were delivered mixed with “SS400” by the supplier *1. It turned out that reinforcement measures are possibly required for 560 of our elevators to secure designated strength *3 after our scrutiny in all the products (12,727 elevators, 634 escalators) produced during the time period *2 when “SPHC” was delivered to us. We will immediately conduct improvement work for the elevators. There are no escalators that require improvement work. Elevators having the designated strength can be operated as usual.

*1 JFE Shoji Kenzai Hanbai Corporation (Osaka-shi, Osaka)

*2 From September 2002 to June 2007

*3 Notification Nos. 1414 and 1418 issued by the Ministry of Construction in 2000

We sincerely apologize for having caused the situation.

1. Influence on the safety of elevators

① “SS400” is widely used in “Outer Frame of Cab” and “Machine Bed.” “SPHC” is used in “Door Operator Frame” and “Platform Floor Reinforcement.” Assured tensile strength of “SPHC” is about 70% of that of “SS400.” Therefore, “SPHC” may not have enough strength designated by the laws to be applied in some product types and regions of the product. The parts and/or components that may not have enough strength due to the use of “SPHC” are Cross-head, Plank, Rail Backing, Rail Bracket and Hitch Channel (refer to the Attached Drawing).

② At present, we have no accidents and troubles caused by the use of “SPHC.”

2. Improvement work for the elevators

- ① With respect to the elevators which have not enough strength designated by the laws, we will reinforce *4 or replace the parts and/or components with “SS400” by the end of September 2007.

*4 To weld ancillary materials to the applicable regions

- ② We are considering a tentative measure of operating the elevators with less load (capacity) before the improvement work starts.

Background of the situation

- ① Our supplier reported us on June 28, 2007 that they had been delivering “SPHC” instead of “SS400” which was ordered by us.

The steel products delivered to us as “SS400” were turned out “SPHC” after a sampling inspection of the products was made by our Quality Control Department (on June 29) and an external test institution (on July 3).

- ② We are currently investigating the cause of delivery of “SPHC” instead of “SS400,” gathering information in-house and from the supplier.

3. Prevention of recurrence

Elevators are public vehicles. Therefore, our mission as a manufacturer is to provide safe products for many people. It is very regrettable that such an incident occurred despite our mission. We would like to extend sincere apology to the customers and users for having caused much concern and inconvenience. We would like to conduct improvement work for the elevators and intend to reinforce the in-house management system as early as possible to prevent a recurrence of a similar incident under the guidance of external experts. Therefore, we would like to ask for your continuous support to us.

4. Impact on the business results for FY March 2008

We will announce the impact as soon as it comes to be clear.

Attached Drawing

