

Summary of Consolidated Business Results for the 1ST Quarter of FY March 2008

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Company **FUJITEC CO., LTD.**

Listed on TSE 1, OSE 1

Stock Code 6406

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(Amounts are rounded down to the nearest 1 million yen)

1 . Business Results for the 1st Quarter of FY March 2008 (April 1, 2007 - June 30, 2007)

(1) Operating Results

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income	
	¥ Million	%	¥ Million	%	¥ Million	%
March 2008 1Q	22,946	5.7	646	-24.3	1,030	-5.0
March 2007 1Q	21,698	12.5	853	281.9	1,084	154.5
March 2007	104,716		4,037		4,772	

	Net income		Net income per share	Diluted net Income per share
	¥ Million	%	¥	¥
March 2008 1Q	555	16.7	5.94	
March 2007 1Q	476	147.5	5.09	
March 2007	7,245		77.32	

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥ Million	¥ Million	%	¥
March 2008 1Q	120,453	71,237	55.3	711.54
March 2007 1Q	114,849	64,385	52.2	640.37
March 2007	122,889	71,786	54.3	713.27

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financial activities	Cash and cash equivalents at end of period
	¥ Million	¥ Million	¥ Million	¥ Million
March 2008 1Q	1,801	-1,525	-3,638	15,331
March 2007 1Q	-317	-1,437	674	18,586
March 2007	4,113	-3,025	-2,213	18,836

2 . Forecast of Business Results for FY March 2008 (April 1, 2007 - March 31, 2008)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Interim	49,000	4.5	1,700	-9.9	2,000	-16.6	1,400	121.0	14.96
March 2008	110,000	5.0	4,400	9.0	4,900	2.7	2,700	-62.7	28.78

3. Others

(1) Changes in the significant subsidiaries (accompanying changes in the scope of consolidation): None

(2) Adoption of simplified accounting methods: Yes

(3) Changes in accounting policies from the previous fiscal year: None

(Note) For details, refer to page 3 【Qualitative information】 4. Others.

Explanation for appropriate use of Forecast of Business Results and other special affairs

- (1) Business results forecasts for interim and full year of FY March 2008 are unchanged from the ones released on May 11, 2007. The Company now closely examines the impact of insufficient strength of elevator steel members (refer to page 3 Insufficient strength of elevator steel members) on the business results of FY March 2008. Therefore, the impact is not factored in the forecasts.
- (2) Business results forecasts stated herein are based on information and assumptions at the time this report was prepared. Therefore, actual results may differ significantly from the forecasts. The main factors causing the difference include general economic conditions in the Company's principal markets (Japan, Americas, Europe and Asia), change in product supply and demand, change in raw materials prices, fluctuations in foreign exchange rates. The above forecasts are based on the assumption that the average exchange rate of the Japanese yen against the U.S. dollar will be JPY 117 for FY March 2008.

【Qualitative information】

(Unless otherwise stated, all comparisons are with business results in the quarter from April 1 to June 30, 2006)

1. Qualitative information on consolidated operating results

In the first quarter ended June 30, 2007(1Q), orders received grew by 18.2% to ¥28,659 million. This was mainly attributed to an increase of 37.2% in domestic orders for condo construction and large-scale commercial complex facilities, and a slight increase in overseas orders.

With respect to net sales by geographical segment, East Asia saw sluggish growth due to seasonal factors such as Chinese New Year. Meanwhile, domestic net sales increased 3.7%. Net sales in North America increased owing to the accumulated backlogs and net sales in South Asia also increased reflecting an increase of repairs and renewal revenues. As a result of the depreciation of the Japanese yen in addition to the factors aforementioned, net sales for 1Q increased 5.7% to ¥22,946 million. Orders in hand were ¥104,533 million at the end of 1Q, an increase of 8.2% from the previous fiscal year-end.

In earnings by segment, operating income in Japan was on a par with the previous year's 1Q. Operating income in South Asia increased ¥61 million, and operating losses in North America decreased continuously. Meanwhile, operating income in East Asia decreased by ¥337 million, as the impact of low-margin projects being recorded as sales. Overall, operating income for 1Q decreased by ¥206 million to ¥646 million. Other income (expenses) resulted in net income of ¥384 million, an increase of ¥152 million, reflecting the increase of interests received and foreign currency exchange gain. As a result, ordinary income declined by ¥54 million to ¥1,030 million. Despite this, net income for 1Q grew by ¥79 million to ¥555 million, mostly as the result of decrease in special loss and minority interests.

2. Qualitative information on consolidated financial position

(1) Consolidated financial position

Total assets at the end of 1Q were ¥120,453 million, representing a decrease of ¥2,435 million from the previous fiscal year-end. This result reflected a ¥2,918 million decrease in cash and deposits due to the repayment of short-term debt. Total liabilities amounted to ¥49,215 million, decreased by ¥1,886 million from the previous fiscal year-end, chiefly owing to a ¥2,255 million decrease in current liabilities caused by the repayment of short-term debt. Net assets stood at ¥71,237 million, a decrease of ¥548 million from the previous fiscal year-end. Shareholders' equity ratio was 55.3% and net assets per share were ¥711.54.

(2) Consolidated cash flows

Net cash provided by operating activities was ¥1,801 million. The principal source of this was ¥1,037 million in income before income taxes and minority interests, and ¥572 million in depreciation. Net cash used in investing activities was ¥1,525 million. This included a net increase of ¥660 million in time deposits (with deposit term of over 3 months) and ¥950 million payment for the acquisition of property, plant and equipment. Net cash used in financing activities was ¥3,638 million. This represented ¥2,595 million decrease in short-term debt and the payment of interests and cash dividends paid. As a result of the foregoing, cash and cash equivalents totaled ¥15,331 million at the end of 1Q, ¥3,504 million less than at the previous fiscal year-end.

3. Qualitative information on consolidated business forecasts

Business results forecasts for interim and full year of FY March 2008 are unchanged from the ones released on May 11, 2007. The Company closely examines the impact of insufficient strength of elevator steel members (refer to Insufficient strength of elevator steel members below) on the business results of FY March 2008 and will announce the results upon clarifying the impact.

4. Others

- (1) Changes in the significant subsidiaries (accompanying changes in the scope of consolidation): None
- (2) Adoption of simplified accounting methods: Certain simplified methods are used for depreciation of fixed assets, and other items.
- (3) Changes in accounting policies from the previous fiscal year: None

Insufficient strength of elevator steel members

It was recently revealed that steel products less strong than ones designated by us had been delivered by a supplier and the Company reported the incident to the Ministry of Land, Infrastructure and Transport. Under the guidance of the Ministry, we are going to complete reinforcement works by the end of September in cooperation with the parties concerned such as customers and specific administrative agencies. Also, we will provide information on elevators and escalators in which less strong steel products are used as soon as possible.

We would like to extend sincere apology to the shareholders, customers and users for having caused much concern and inconvenience.

An in-house and third party investigative committee's investigation tracked down the causes of the incident. We are going to further reinforce an in-house check system to prevent a recurrence of a similar incident. Therefore, we would like to ask for your kind understanding.