

October 31, 2007

**To all parties concerned:**

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

#### Report of the completion of reinforcement work for elevators

Regarding the issue of insufficient strength of some members of Fujitec elevators due to the use of inappropriate steel products, we have been conducting reinforcement work for 560 elevators <sup>(\*)1</sup> identified as having insufficient strength since July 14, 2007. We hereby would like to report the completion of reinforcement work for the aforementioned elevators except six units <sup>(\*)2</sup>.

\*1: Among 560 elevators in need of reinforcement work that we announced at the beginning, reinforcement of 55 units has become unnecessary. This is because we made recalculation of individual strength before reporting to a special administrative government agency and have found that the 55 units have sufficient strength through a close examination on the results.

\*2: The six elevators requiring improvement work are presently operated with restrictions. The schedule for reinforcement work of four of these six is fixed with the consent of customers. With respect to the schedule for reinforcement work of the remaining two elevators, we make efforts to obtain understanding and cooperation of customers for an early completion of the work.

Our social mission is to provide elevators and escalators with top priority placed on “safety and security.” We took this matter with serious concern, established and reinforced internal control system to implement a rigorous quality control based on “preventive measures” formulated on July 31, 2007.

We took disciplinary actions against related corporate directors and employees as described on the next page to clarify management responsibilities for the incident.

We also claimed compensation for damages against JFE Shoji Trade Corporation (“JFE Shoji”) and JFE Shoji Kenzai Hanbai Corporation (“JFE Kenpan”) in connection with the loss incurred due to the incident.

## 1. Disciplinary actions of our directors and employees

With respect to the incident, we have taken disciplinary actions against the following directors and employees to clarify the management responsibilities for having failed to find the problem for a long period of time.

### [Disciplinary actions against directors]

Director & Chairman Kenji Otani	Forgoing of 10% of monthly emolument for 3 months
Representative Director, President & CEO Takakazu Uchiyama	Forgoing of 10% of monthly emolument for 3 months
Director Akira Sumimoto (Ex-General Manager of Production HQ)	Forgoing of 10% of monthly emolument for 3 months

### [Disciplinary actions against operating officers and employees]

We took disciplinary actions such as wage cut and reprimand to clarify the responsibilities of departments in charge of procurement, inspection and quality control.

## 2. Action for JFE Shoji and JFE Kenpan

Direct costs incurred in connection with the reinforcement work and loss of customers’ trust in us were enormous. Therefore, we claimed damages against JFE Shoji and JFE Kenpan which are believed to be finally responsible for the incident.

The incident shook our manufacturing principle of thoroughly pursuing quality of products. Therefore, recognizing our responsibilities as a manufacturer, we are committed to making company-wide efforts to prevent a recurrence of a similar problem.

### (Reference)

For impact on our business results forecast for the half year ended September 2007 and the full year ending March 2008, please refer to the release “Notice of Revisions to Non-consolidated and Consolidated Forecasts of Business Results for FY March 2008” dated October 23, 2007.

Best Regards,